

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

- Report from the Illinois Early Learning Council Program Standards and Quality Committee

Workforce Compensation Subcommittee – January 2016

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

The Ad Hoc Compensation Committee

The Illinois Early Learning Council (ELC) Program Standards and Quality (PSQ) Committee convened the Workforce Compensation Subcommittee in 2014 to address compensation parity within the Early Care and Education (ECE) workforce. The committee consists of members of Illinois Professional Development Advisory Council (PDAC), who had previously explored the compensation issue, as well as other interested individuals in a public-private partnership. The committee and its three working groups worked from April 2014 through September 2015, reporting back to the PSQ committee and PDAC executive committee.

PSQ Charge to the Ad Hoc Committee:

- Review state and national workforce data and demographics that inform recruitment and retention of highly-qualified workforce
- Develop suggested ranges for compensation parity aligned with qualifications/roles
- Identify various strategies that can be combined to secure and retain a highly-skilled and professionally compensated workforce

The intention of this report is to set the foundation for achieving compensation parity for the field of Early Childhood Care and Education in Illinois. **The Compensation Subcommittee determined that the average statewide salary for early childhood teachers working 40 hours per week, 49 weeks a year should be \$49,000 or \$24 per hour. Twenty-four dollars per hour would establish parity with licensed public school teachers with Bachelor's degrees who earn a statewide average of \$37,000 annually for 190 8-hour days or \$24 an hour.**

The Problem

While education-related salary schedules have been in place for decades for elementary and secondary teachers, the early care and education (ECE) workforce continues to suffer from low wages. A 2015 Georgetown University study, *What It's Worth: The Economic Value of College Majors*, found early childhood education to be the major with the lowest average pay (Carnevale, Strohl, and Melton, 2015). National and state data indicate that early care and education professionals leave the field at nearly twice the rate of public school teachers (U.S. Department of Education, 2014; Illinois Department of Human Services, 2013). Despite the tremendous increase in the demand for child care that has occurred as mothers of young children have increased their labor force participation, the wages of early care and education (ECE) workers have remained relatively flat over the last two decades (Whitebook, Phillips, and Howes, 2014).

Annual average wages for members of the early childhood workforce with a bachelor's degree, in Illinois and across the country, are about half of the average wage for members of the general workforce with bachelor's degrees regardless of the source of wage data used. The average annual salary for all categories of work requiring a bachelor's degree in the U.S. is \$57,000, while the average salary for all ECE jobs in the U.S. is \$31,000. In Illinois, the average salary for all jobs requiring a bachelor's degree is

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

\$53,000 and the average annual salary for all ECE jobs is \$32,000 (READYNATION, 2015; US Department of Human Services, 2013). **To achieve compensation parity for comparable qualifications, an early childhood teacher with a bachelor’s degree and specialized competencies should receive \$53,000-\$57,000 per year.**

The U.S. Department of Labor indicates that child care is a growing field expected to have a 14% growth rate over the next decade. “At the same time, the supply of people willing to work in early childhood care and education for relatively low wages is elastic, and the field has high rates of job turnover.” (Transforming the Workforce, 2015, pg. 83) Yet economic analyses have shown that parents are unable and unwilling to pay more for higher quality services. Government policies, regulations and standards, and funding allocations vary by funder and program type making it difficult to provide adequate compensation to attract and retain a well-qualified staff workforce (Transforming the Workforce, 2015).

The FY15/16 delays in the Child Care Assistance Program (CCAP) payments to providers, the current status of the Illinois budget, and the general economy in Illinois make the discussion of increased wages a difficult one to broach. Program administrators, who already struggle to meet payroll while striving to achieve higher levels of quality, fear that the burden will fall on them. Parents, who have seen fees for early childhood services rise 89% in constant 2011 dollars from 1997 to 2011 (Worthy Work, Still Unlivable Wages, 2013, p. 17), simply cannot pay any more. There seems to be little play in current funding sources and less hope for increases in public funding anytime soon.

Nonetheless, the time is now. We need to explore every possibility with every current and potential source of funding. We need to seek out new funders and strong advocates. We need to invest in staff professional development that leads to the knowledge, skills and dispositions that ensures every child reaches her optimal development. We need to look at how management skills, state policies, and program quality standards intersect to attract and retain the most qualified staff. We need to achieve wages for the early care and education workforce that are equitable to any other position requiring comparable education and skills.

Why Compensation Parity is Important

Early childhood education is critically important to the optimal development of Illinois’ young children and to the social fabric and economic stability of our state. The early care and education workforce provides services in preschool, child care, Head Start, and other settings. “For many children, the role of these individuals is second only to that of a family in building the foundation for good health, intellectual development, and social skills” (Social Policy Report Brief, 2012). From infancy to kindergarten entry, the typical child in Illinois spends about 12,000 hours with an early childhood teacher – approximately equivalent to the 12,350 hours spent in school from kindergarten through high school graduation (U.S. Department of Education, Center for Educational Statistics) and approximately equivalent to the waking hours parents spend with their children through age 14.

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

Recent brain research combined with research on effective early childhood practice has led to increasing evidence about the critical role of the early childhood practitioner. The first three years of life are a period of rapid brain development when we acquire language, reasoning, and problem-solving skills; learn to focus, complete a task, and control our impulses; and learn how to get along with others. In the remaining preschool and early elementary years, children learn the interpersonal skills, self-regulation, and academic foundations that lead to success in school and life. Strong, positive relationships between child and adult are the foundation for all learning. Changes in staff are detrimental to the quality of those relationships and cause levels of stress in young children that interfere with learning and personal development.

Only quality programming achieves positive developmental outcomes for children. Poor programs can actually contribute to the readiness gap of low- income, minority, and immigrant children as they enter school, the performance gap during school, and the mobility gap as employed adults. *The most important element of quality is a highly-qualified, competent, and stable workforce.*

As the educational requirements for early childhood teachers and administrators increase based on irrefutable research that links child outcomes to classroom practices, we must employ strategies to retain our most qualified staff and meet the increasing demand for additional highly-qualified staff. The consequences of not addressing the compensation issue now means that as families, communities, and tax payers, we will continue to pay the cost of children who start behind, stay behind, and never catch up to their peers in college completion, lifetime earnings, physical health and overall well-being.

In 2015, Illinois' early childhood services received over \$18 million in new Early Head Start-Child Care Partnerships Grants (awarded annually for up to 5 years) and \$80 million in federal Preschool Expansion Grants (\$20 million per year through 2018). With this funding comes increased requirements in staff qualifications and demand for more teachers, administrators, and support staff. By 2018, Preschool for All is estimated to add 24,000 new spaces for children, 1100 new lead teachers, and 1100 assistant teachers. Additionally, there are increased training requirements and a focus on quality from the 2014 reauthorization of the federal Child Care and Development Fund. Also, under the Race to the Top-Early Learning Challenge funding, ExceleRate® Illinois has set the standards for program quality and workforce qualifications that apply to all early childhood sectors and settings (<http://www.excelerateillinois.com>).

The Illinois Department of Employment Security predicted a need for 806 new preschool teachers between 2014 and 2016; 340 from growth and 466 in replacements (Illinois Department of Labor, 2014). Add to this number the increased demand for more highly educated staff and the wage issue becomes even more critical. According to ReadyNation, by the end of the current decade, *Illinois will face a shortage of bachelor's level workers – across all occupations* - leaving a gap of 150,000 unfilled skilled positions. This gap may lure more and more of our potential workforce into other fields of study and career tracks that offer above average compensation packages. "To reverse Illinois' skills-gap troubles, ReadyNation urges greater, research-proven investments in supports for young children's learning and development" (ReadyNation, 2015).

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

Compensation for the Early Childhood and School Age workforce is among the lowest for work requiring comparable skills in any field. Workplace conditions, compensation, and access to professional development affect the recruitment and retention of staff in every role. Direct financial support and technical assistance (TA) to programs (centers and family child care) are needed to augment what parents can afford to pay, stabilize finances, and promote work environments that attract and retain effective educators. For centers to exceed basic requirements for teacher education levels required in State licensing and offer higher compensation, they either need to raise significant additional outside funding or expect a negative annual operating budget (Child Care Technical Assistance Network, 2013).

“Inadequate compensation in the [early care and education] field is known to pose enormous challenges to efforts to raise workforce qualifications and program quality. Wage levels correlate closely with program quality, largely due to the negative effects of frequent staff turnover linked with low compensation” (Park et al, 2015).

Children’s developmental outcomes are most closely linked to consistent instructional support and responsiveness in the caregiver/teacher. While this is much more than having access to the same adult, it is impossible to build a responsive relationship and consistent expectations within the learning environment when there is constant staff turnover (Hamre, 2015).

In Illinois 26% of teachers and 33% of assistant teachers working in licensed child care facilities left their positions in the 2-year period 2011-2013 (Illinois Department of Human Services, 2013). Nationally, among all public school teachers, 84% stay in their positions, 8% move to another teaching position, and 8% leave the field, annually. Among public school teachers making less than \$30,000 annually, 15% leave the field, 15% move to another teaching position, and 70% stay (NCES, 2014). Based on these data, it may be that raising minimum pay for beginning early childhood teachers to \$30,000 (\$14.42/hour) could reduce the turnover rate by 50%.

In Illinois, of those who left their positions, 30% of early childhood teachers and assistants moved to a job outside the field, but 34% of teachers and 7% of assistants found a new early childhood job in the public schools (Buchner et al, 2013). This seems to be an indicator that teachers with the qualifications to move to a position in the public school do so because of higher compensation and benefits and a shorter annual work schedule. And while turnover in public school teaching positions for those making under \$30,000 is comparable to that of teaching staff in licensed centers, the impact on the program and most especially the children is different.

Typically, staffing changes in the public schools are made at the end or beginning of a school year and therefore are likely to be experienced by the child in the course of a planned and expected transition. While burdensome to the administration, this is less disruptive to the adult-child relationships and child’s expectations for instructional approaches and classroom management styles than is often found in non-school programs. In non-school settings, teaching staff who leave may give two weeks’ notice, forcing the administrator to scramble to recruit, screen, hire, and train a new teacher within the 2 weeks period or potentially bring in temporary or unqualified staff to meet the adult-child ratios, while

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

continuing to look for a full-time replacement. Each change in teaching staff disrupts instruction and learning as each child must form new, trusting relationships and acclimate to the new learning environment.

Loss of experienced and highly-qualified staff who have more career opportunities, for both school and non-school programs, can be directly related to stability and timing of program funding. Preschool for All teachers who are released annually because the grant awards are not made until close to the start of school, will explore and accept more secure job opportunities. Non-public school teachers in programs that experience funding delays or fluctuations may also seek more stable and highly compensated career moves.

Federal and state investments and private support for early childhood services are indicative of the value that we, as a nation and a state, place on young children and their families. We know that to achieve the best outcomes for children and their families, **high-quality programs must employ a professionally prepared and compensated workforce**. The individuals that make up the workforce must know how to effectively work with young children, engage families in their healthy development, and coordinate with other services. As a state and nation we have made great strides in improving program quality and practitioner qualifications, yet *minimal progress has been made over the past 25 years in achieving compensation parity with public school teachers and other fields requiring a bachelor's degree*.

Methodology

In the fall of 2014, the Workforce Compensation Ad Hoc Committee of the Program Standards and Quality Committee, Illinois Early Learning Council was charged with developing ranges for compensation parity aligned with qualifications and roles using the most recent and reliable state and national data. The subcommittee also explored benefits that make up typical and expected compensation packages and workplace conditions (the practices, supports, and environmental elements that contribute to job satisfaction and effective practice).

The Workforce Compensation Subcommittee met in person and via conference calls to explore research, statistics, and reports on the U.S. and Illinois early care and education workforce. Three subgroups were formed to dig more deeply into topics framed by work from the Child Care Technical Assistance Network: *Strengthening the Early Childhood Workforce*. These were compensation, benefits, and workplace conditions. We have used those topic areas for the structure of this brief. Compensation typically includes salary, benefits, and other financial incentives or benefits associated with a job. However, for our work, compensation refers to hourly wages or annual salary. The benefits section focuses on health care, leave, and retirement benefits. Workplace conditions focuses on all the work environment factors such as instructional support and professional development opportunities, duty-free lunch or prep time, opportunities for peer learning and group decision-making, and the leadership skills of the administrator.

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

The Subcommittee chose to examine **compensation parity** in terms of educational level, not experience, focusing on wages for teachers with bachelor's degrees, working in center-based programs. This approach assumes that a degree with its specialized knowledge and competencies is a marker for the skills and qualifications needed for various roles. This approach also assumes that those with greater leadership and management responsibilities and those with less classroom management responsibilities will be compensated accordingly.

We reviewed a number of roles (preschool teacher, infant-toddler teacher, administrator, home visitor, school-age teacher, family child care provider and educational support staff) and various levels of education, struggling within our committee with the question "is ECE more valuable than other professions or types of work?" Examination of ways to potentially place a value on various types of work, or fields, including early care and education, demonstrated that there are no definitive answers.

However, across a wide range of fields and types of work, education was found to be a determining factor in compensation or wages paid. Therefore, with a nod to expediency, the ultimate decision was made to use the bachelor's degree as the point of comparison across multiple fields and types of work and the field of early care and education. This decision has proven to be timely based on a key recommendation from the National Academy of Sciences report that *lead teachers of children birth to eight need a bachelor's degree with specialized competencies*. (Allen and Kelly, editors, 2015). The bachelor's degree is therefore the qualification marker used to explore compensation parity in this paper. Our hope is that by staying focused, we can make a clean, clear, and concise case that can then be used to guide further exploration of other roles and educational levels within early care and education. In addition, the paper identifies potential policy and practice levers that can begin to close the gap in equitable compensation for a highly-skilled early care and education workforce.

Teachers and children can no longer shoulder the burden of under-funded early care and education services. There is no person, program, or funding source that can singlehandedly achieve compensation parity for the early childhood workforce. Collectively, with determination to realize a viable solution, commitment to a common vision, and the fortitude to change the status quo, we can achieve compensation parity.

Findings

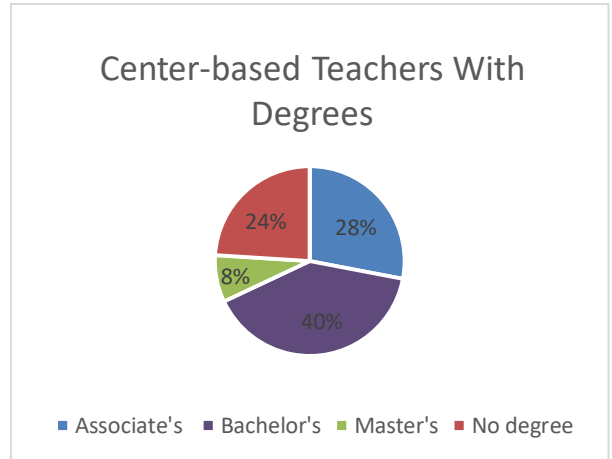
The subcommittee found that the average statewide salary for early childhood teachers with bachelor's degrees and specialized competencies working 1960 hours per year should be \$47,000 or \$24 per hour. Twenty-four dollars per hour would establish parity with beginning licensed public school teachers with bachelor's degrees who earn a statewide average of \$37,000 annually for 190 8-hour days (\$24 an hour). This figure is below the Illinois average salary for bachelor's degrees across all fields (\$53,000). As a starting point and in alignment with the national Make It Work Campaign that is seeking a minimum wage for the child care workforce (makeitworkcampaign.org), the statewide salary for beginning early childhood teachers should be \$15 an hour (minimum). This is about a \$2.50 per hour increase over Illinois's current average early childhood care and education salary (Bruchner et al, 2013).

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

The Illinois Early Care and Education Workforce

Illinois Gateways to Opportunity Registry data indicate that most of the licensed center-based early childhood teaching workforce professionally hold a degree. In addition, all teachers in Preschool for All classrooms must hold an early childhood professional educator license (PEL). Collectively, the data indicate that Illinois has achieved “a professionally prepared workforce,” however, we are a long way from achieving compensation parity with comparable professions.

As of August 31, 2015 there were 76,590 members of the Illinois Gateways Registry about 50% of whom are teachers. By law, this number includes all staff at licensed centers, including those working in licensed Head Start programs. It does not include the approximately 2000 preschool teachers and 2000 qualified paraprofessionals in school-based Preschool for All classrooms.



Members of the Illinois ECE teaching workforce are highly educated. Illinois Gateways Registry data indicate that 76% of teachers working in licensed programs have a college degree: 28% hold Associates Degrees; 40% hold Bachelor’s Degrees; 8% hold Graduate Degrees (Illinois Gateways Registry, March, 2015). Although 24% of teachers and assistant teachers do not have degrees, many of them have

completed some college coursework and are on a pathway to attain a credential.

“Average” Illinois Center-based Program

- 🏠 Full day/full year (8 hours a day/49 weeks per year – 72%)
- 🏠 Single site (73%)
- 🏠 For-profit (42%; 37% non-profit; 8% government-sponsored; 3% college or university; 9% undeclared)
- 🏠 19 staff, 50% of which are teaching staff
- 🏠 Employ at least one staff member fluent in a language other than English (67% of centers; 30% have at least one fluent in Spanish)
- 🏠 \$63,722 average profit for for-profit center (average profit across auspices is \$27,000)

Illinois Staffing and Salary Survey of Licensed Child Care: FY 2013

In addition to employing a workforce that is primarily female, fully two-thirds of licensed centers in Illinois employ staff that are fluent in a language other than English. Fourteen percent of the workforce, across all positions, is fluent in a language other than English; 30% of those are fluent in Spanish. Illinois ranks 5th in the US in concentrations of children of immigrant families, with 28% of all children birth to age five being children of immigrant families. Approximately 18% of the Illinois ECE workforce is immigrant (Park et al, 2015). The immigrant population makes up a substantial portion of the early childhood workforce and their children are an increasing percentage of the children served.

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

Salaries and Wages

The most important predictor of the quality of care children received, among the adult work environment variables, was staff wages. Worthy Work, Still Unlivable Wages (2014)

According to the Illinois Staffing and Salary Survey of Licensed Child Care Facilities: FY 2013, dissatisfaction with pay was the most important reason for leaving a position for all early childhood roles except administrator. For those in teaching positions dissatisfaction with pay was followed by dissatisfaction with benefits, and personal reasons.

In Illinois 15% of the early care and education workforce lives below the poverty line. (Immigrants, 2015). In Illinois the median hourly wage for an early childhood teacher is \$11.50 which is below the 2015 poverty guideline for a family of four of \$24,250 (\$11.66/hour). According to data from the Illinois Staffing Survey (2013), the average wage for all positions at the following educational levels fall below this poverty guideline:

- CDA
- Some college in ECE
- Approved community college ECE certificate
- Associate's degree in non ECE/CD field

The negative indicators of well-being that we find associated with anyone living in poverty apply to those members of the early childhood workforce who live in poverty as well. This means that in our lowest resourced programs with the lowest paid staff, the teachers and caregivers bring their own worries, physical health problems, and mental health issues to their work with children.

Links between adversity, stress, and poor emotional-behavioral self-regulation are documented not only for children, but also for teachers, with consequences for teachers' own physical and mental health, and thus their capacity to support the learning and behavioral growth of young children – perhaps especially those who are more difficult to manage or prone to being fearful in groups, and thus are in greatest need of sensitive and responsive care. (Worthy Work, Still Unlivable Wages, 2014, p.17)

The authors of Worthy Work, Still Unlivable Wages (2014) found that center teaching staff worry about their economic security. Staff worry is associated with program quality rating, environmental rating

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

scores, and auspice: higher quality ratings are associated with less staff worry; being employed by a nonprofit or public program was associated with less staff worry (Whitebook, Phillips, and Howes, 2015).

They also found that “a significantly higher percentage of teaching staff who earned less than \$12.50 per hour, than of those earning more than \$12.50 per hour, expressed worry about not being able to pay their monthly bills, housing costs, or costs of transportation to work.” The lower wage earners were also more worried about having enough food for their families. (Whitebook, Phillips, and Howes, 2015) Nearly all staff were worried about having enough money saved for retirement. Percentage of all teaching staff worried about personal finance issues:

- 48% were worried about having enough food for their families
- 58% were worried about paying for transportation to work
- 63% were worried about being able to pay their housing costs
- 71% were worried about paying for routine medical care for themselves and their families
- 73% were worried about being able to pay their monthly bills (Whitebook, Phillips, and Howes, 2015).

The Illinois Staffing and Salary Survey (FY2013) found that college/university and government-sponsored programs incurred *losses* of \$33,000 to \$46,000 in their annual operating costs, respectively. Other non-profits averaged annual profits of about \$1,300, while private proprietary centers averaged less than \$64,000 in profits annually. Knowing that staff expenditures comprise 80% or more of an annual budget, these figures may indicate that the programs paying the highest staff salaries (and associated with less staff worry) are the ones with the lowest profit margins (Bruckner, 2013).

As stated previously, annual average wages for members of the early childhood workforce with a bachelor’s degree are about half of the average wage for members of the general workforce with bachelor’s degrees. The average annual salary for all categories of work requiring a bachelor’s degree in the U.S. is \$57,000, while the average salary for all ECE jobs in the U.S. is \$31,000. In Illinois, the average salary for all jobs requiring a bachelor’s degree is \$53,000 and the average annual salary for all ECE jobs is \$32,000 (Bishop-Josef, Noble, and Watson, 2015; Bruckner et al, 2013).

Average ECE salaries have showed slight gains in Illinois since 2009, but buying power has declined according to the consumer price index. From 2011 to 2013, the average hourly wage increase of .08 is equivalent to a *\$.40 decrease* in buying power. Low wages plus a decrease in buying power mean that while staff requirements have been increasing, their salaries are providing them less income. Members of the ECE workforce working in public school programs are members of the bargaining unit and therefore receive compensation as negotiated by the union. These salaries will skew the average, meaning typical salaries in community-based programs may be lower than evidenced by the data.

Many members of the ECE workforce require one or more public supports to care for themselves and their families (Bruckner et al, 2013). Compared to 25% of the total workforce, 46% of child care workers received some type of public support in 2011 (SNAP, TANF, EITC, Medicaid and CHIP) at an estimated annual average cost of \$7860 per family (Whitebook, Phillips, and Howes, 2015). Illinois currently spends

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

about \$110 million, annually, in public supports for 30,000 members of the early childhood workforce (Whitebook, Phillips, and Howes, 2015). This public funding for the ECE workforce in Illinois could potentially be redirected to compensation parity rather than as a support for low-wage earners.

The financial drain of public supports is not the only cost incurred. Low wages are associated with low job satisfaction and even depression, both of which are negatively associated with adult-child interactions. Therefore both social/emotional and school-readiness outcomes for children are impacted. In addition, our infants and toddlers and those with the greatest need for supports are most often in the poorest resourced programs that pay the lowest staff salaries and are of the lowest quality. This creates a compounded cost. The children with the greatest risk factors are those who realize the greatest gains in child outcomes by attending a high-quality programs and being taught by highly-qualified skilled and responsive caregivers.

High-quality experiences are especially important for children from low-income backgrounds, who fall behind their more affluent peers in cognitive and language development and social skills as early as age 2, and who get the most out of high-quality programs, but have the least access to them.

Strengthening the Early Childhood Care and Education Workforce Would Benefit Young Children, 2012, SRCD

Benefits

Health insurance, paid leave, disability, and retirement benefits matter. “A combination of one or more of these benefits has been linked to EC workers’ intention to stay in the field” (CCTAN, 2013).

The field of child care needs to have access to affordable health care and also retirement benefits. It is so difficult to stay in the field I love because it does not offer insurance or retirement. I don’t know how or if I will get to retire. I have been doing daycare full time for the last 25 years. I returned to school to complete my BA in early childhood through the [G]reat [S]tart program which I loved...If I had been teaching in public school for the last 25 years, instead of teaching children in my own home, I would be able to retire soon, with a pension. There has been great emphasis placed on the importance of early childhood education. I wish the state would recognize the work child care providers have done and are doing for the children of our state by offering benefits (Bruckner et al, 2013, survey respondent).

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

The online employment agency Monster conducts annual surveys about effective recruitment practices and compensation packages. The most recent survey results found that a healthcare plan was the most valued class of benefits, accounting for almost one-third of the value prospective employees would place on a benefits package. This finding is consistent with past Monster employee benefit surveys, which also showed how valuable healthcare is to job seekers and employees

In general, the lower the income, the greater the importance of health care benefits. Some employees are willing to accept a lower hourly wage for better health coverage.

Rank order of value that job seekers and employees apply to the following benefits:

- Healthcare plan = 32%
- Vacation Time = 25%
- Pay Raise = 15%
- Employee Benefit = 10%
- Performance Bonus = 9%
- Retirement Plan = 8% (Monster, 2012).

According to the Illinois Staffing and Salary Survey (2013), members of the workforce do not have the following benefits:

| Benefit | Percent Who DO NOT HAVE | Benefit | Percent Who DO NOT HAVE |
|----------------|--------------------------------|------------------|--------------------------------|
| Holiday Pay | 19% | Life Insurance | 67% |
| Vacation Pay | 21% | Dental Insurance | 66% |
| Sick Leave | 31% | Pension | 62% |
| | | Health Insurance | 59% |

Health Insurance

Access to Health Insurance changed dramatically in 2014 when the Affordable Care Act (ACA) required all non-low-income people to have insurance. Prior to 2014, about one quarter of the early childhood and school-age workforce, nationally and in Illinois, did not have health insurance and only a small portion of those received it through their employer.

- In 2012, about 75% of center- and home-based teachers and caregivers, nationally, reported that they had some form of health insurance (OPRE, 2012).
- The FY2013 Illinois Staffing and Salary Survey indicated that 77% of center staff had access to health insurance; and that same survey indicated that
- 37% of centers provided health insurance for their staff (Bruckner et al, 2013).

As of 2014 individuals are able to shop for affordable health insurance coverage for both their families and employees through state-run insurance exchanges. Under the ACA, these exchanges provide a one-stop shop for health insurance plans offered by private insurance companies. Because there is an

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

individual penalty for those who do not purchase insurance, it is in the best interest of both the employee and employer to explore their options under the ACA.

Some early childhood providers are small businesses and are able to choose from a range of coverage options for their employees through the Small Business Health Options Program, or SHOP. Eligible employers may qualify for a tax credit worth up to 50% of the employer's premium contribution to a SHOP plan. To qualify for the tax credit, all of the following must apply:

- The business must have fewer than 25 full-time equivalent (FTE) employees
- The average employee salary is about \$50,000 per year or less
- The employer pays at least 50% of full-time employees' premium costs
- Health insurance coverage is offered to your full-time employees through the SHOP Marketplace.

The small business tax credit is worth up to 50% of the contribution toward employees' premium costs (up to 35% for tax-exempt employers). Part-time employees (those working fewer than 30 hours per week) or employee dependents do not have to be covered to qualify for the tax credit. The tax credit is highest for companies with fewer than 10 employees who are paid an average of \$25,000 or less. The smaller the business, the bigger the credit. [IRS form 8941: If a child care or Head Start center has 50 or more full time employees, it is considered a "large business" under the health care law (SBA, 2015).

The McCormick Center for Early Childhood Leadership collected national (2004-2009) and state Quality Counts (2008-2014) data on the *Program Administration Scale (PAS)*. The Center then conducted a comparative analysis of the results. For item 5, Benefits (which includes health, sick or personal time, vacation, retirement, and professional development), the national data had an average score of 2, while Illinois's data had an average score of 1.92 on a scale of 1 to 7, with 1 being inadequate, 3 minimal, 5 good, and 7 excellent. These data indicate that benefits provided by ECE employers in Illinois are far below professional standards for program quality.

Two-thirds of programs in both data sets offered health insurance to staff with the employer paying a portion of the cost. However, while about half of the programs in both data sets paid 50% or more of the cost of employee's coverage, programs in the Illinois data set were much less likely than those in the national data sets to provide 66% or more of the employee's coverage. *In Illinois approximately 25% of programs cover 50% or more of the cost of employee health insurance* (McCormick Center for Early Childhood, 2015).

Paid Leave

The McCormick Summary found that nearly half of programs in the national data offered 6 or more paid sick or personal days per year to both full-time and part-time staff and offered 5 or more vacation days to staff during their first year of employment. The numbers were 10% lower in the Illinois Quality Counts data set, meaning that 60% of the Illinois early childhood and school-age workforce *do not* receive these minimal benefits.

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

Retirement

“I have worked in child care for 38 years, I am divorced and I have no retirement benefits. I manage a highly respected child care program on the campus of a major university that offers no money toward staff training. I love the work that I do and am respected in my field, but I expect to live in poverty when I retire” (Study participant quote per correspondence with Jill Bella, McCormick Center for Early Childhood Leadership, 2015).

The McCormick Summary found that about one-third of programs in both the Illinois and national data sets offering a retirement plan that matches 3% or more of an employee’s contribution to the plan. Programs in Illinois were slightly less likely than the national norms to provide a 5% or more match to an employee’s contribution to a retirement plan.

Family-friendly policies

The subcommittee spent considerable time discussing the difficulties that staff face in balancing the needs of their own children with those in their care. Work days in center-based care can start or extend well beyond an “8 to 5” day. In-service training often takes place after hours or on weekends taking time away from family responsibilities. Changes in staffing can be stressful for the youngest children in care, even when those changes are made to accommodate well-earned and much needed staff time off from classroom responsibilities. It can be especially difficult for ECE teachers to participate in their own children’s activities or care for an ill family member. Policies and practices that effectively balance the needs of the children with those of the staff and their families need much greater attention.

“All other things being equal, companies that provide family-friendly benefits to their hourly workforce are more likely to have higher employee retention rates, lower turnover, and a stronger pool of talent that enables them to promote from within,” according to Gaye van den Hombergh, president of Winning Workplaces, a not-for-profit that works with small and mid-size organizations to create great workplaces (<http://hiring.monster.com/hr/hr-best-practices/workforce-management/employee-benefits-management/family-friendly-benefits.aspx>).

Workplace Conditions

Teachers’ work satisfaction is associated with characteristics of an organizational climate that promotes shared decision-making, offers meaningful feedback on performance, and provides opportunities for joint reflection about ongoing PD and supports in the workplace (Bloom, 2010).

Workplace conditions naturally overlap with salary and benefits because job satisfaction is closely linked to these. In addition, a well-funded program is able to attract administrators that have strong management, personnel, and instructional support skills – all of which contribute to a positive and supportive work environment. In our discussions of this topic, the committee focused on the conditions

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

that keep us in our current work and contributed to many of us leaving direct service positions in early childhood. These conditions include supervision, training, and supports that enable us to perform our work effectively; adequate work space, supplies, and preparation time; the capacity to take leave for mental and physical health reasons; and compensation that allowed us to live independently, pay our bills, and care for our families. Supportive workplace conditions are most directly related to administrative leadership and management skills that ensure compliance with health and safety regulations (child and adult), support effective classroom practices and ongoing professional development, engage parents in their children's development, and connect to support services for children, families, and staff.

"Lower and Cassidy (2007) conducted a study of 30 centers in North Carolina to assess the relationship between program administration practices, staff's perceptions of organizational climate, and classroom quality. The results of an analysis found a dynamic relationship among program leadership and management practices, teachers' perceptions of their work environment reflected in its organizational climate, and how those variables relate to the classroom practices experienced by children" (Bella, 2015).

In the Transforming the Workforce overview, the authors identify systems factors that contribute to effective professional practice, but are beyond the control and individual capacity of the practitioners themselves. "These factors include the practice environment, such as working conditions... and the status and well-being of the professionals, encompassing, for example, incentives that attract and retain teachers, perceptions of the profession, compensation, and stressors and the availability of supportive services to help manage them" (Transforming the Workforce, 2015). Addressing these factors requires public will, an effective professional development system, and an engaged business and industry sector who understands the needs of the larger workforce and the value of early education.

The health and well-being of the adults who work with young children affect classroom effectiveness and developmental outcomes for children. "New evidence at the intersection of neurobiology, developmental science, and early education carries vast implications for how we think about children's early childhood teachers: their influence on early development; their responsibility in managing many children's first encounters with peers and providing most children's first experiences with a teacher; and the importance of their own well-being. In short, it ups the ante on what is at stake when children's earliest caregivers and teachers—two-thirds of whom have children of their own— are themselves experiencing economic hardship, low social status, unsupportive and demanding work environments, clinical depression, and other chronic stressors frequently associated with early childhood work" (Whitebook, Phillips, and Howes, 2015).

The combination of low wages, poor working conditions, and high-level responsibilities can cause ECE professionals to experience greater stress than people working in comparable fields. This stress can manifest itself as "emotional exhaustion, physical illness, burnout, and loss of interest in teaching" (Allen and Kelly, editors, 2015). Research studies have found that 25-30% of staff exhibit depressive behaviors and have higher than average rates of physical issues, including back pain, obesity, hypertension, and

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

diabetes. (Allen and Kelly, editors, 2015). Strategies that teach and support self-reflection, stress-management, and mindfulness have improved the classroom environment.

From the research cited, there seems to be evidence that higher quality-rated programs provide a more positive work environment, likely the combination of highly skilled administrators, better resourced programs, and stronger systems of professional supports. Thus, encouraging and supporting program quality improvement can be an indirect method of improving the workplace conditions, job satisfaction, and therefore retention of a professionally-prepared workforce.

Suggested Strategies to Achieve Compensation Parity and Retain a Qualified Workforce

Without compensation parity with public schools and other fields, we will continue to lose our best and brightest early childhood teachers and administrators to professions that offer better salaries, benefits, and working conditions. Continually high rates of those leaving the field are compounded by increased demand for a highly-skilled workforce, a result of new federal grant awards and changes in federal policies.

At the federal level the Office of Early Childhood Development, Administration for Children and Families, U.S. Department of Health and Human Services is working to align policies and management of programs across Head Start/Early Head Start, Child Care, and Pre-Kindergarten programs administered by the U.S. Department of Education. The goal is for all children to receive high-quality comprehensive services regardless of setting. To that end the federal agencies are working to reduce reporting and compliance burden for programs by aligning program requirements and eliminating conflicting policies. The desired result is that program staff will have more time to plan and work with children, that it will be easier to blend funding from different sources, and that the time and energy savings plus *increased revenues will be channeled into higher quality services and better paid and supported staff.*

The following strategies require both public and private support at the local, state, and federal levels for successful implementation. These strategies build on existing initiatives as a method for achieving compensation parity using current sources of funding and existing infrastructure. They also identify new opportunities from potential funding and possible policy revisions to achieve a lasting solution to compensation parity.

The subcommittee recommends that the field, policymakers, and stakeholders:

- ✚ **Develop or require ExceleRate program standards** that meet the compensation levels outlined in this brief.*
- ✚ **Require 80% of all rate enhancements and quality incentives, regardless of funding source, be budgeted for compensation.** For example, 80% of enhanced rates for quality, paid directly to programs, would be targeted to internal wage scales aligned with ExceleRate requirements (staff qualifications and PAS Indicators).

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

- ✚ **Prioritize Great Start Wage Supplements to those who meet ExceleRate staff requirements.**
Target the highest rated programs and prioritize staff with ECE bachelor's degrees/ExceleRate staff qualifications. Or transition the Great Start program from a wage supplement to the individual to higher contract or reimbursement rates to the program based on ExceleRate level, specific ExceleRate wage/benefit standards and staff qualifications, and number of qualified staff employed. Because Great Start eligibility is income-based and is not available to individuals who make above a certain wage, the program may actually be keeping wages in some centers artificially low to ensure that staff qualify for the wage supplement.
- ✚ **Ensure that all new requests for federal early childhood funding include allocations for bachelor's level teaching and administrative staff salaries** at a minimum of \$49,000/\$24.00 an hour (regionally adjusted).*
- ✚ **Encourage units of local government to align reimbursement rates and contract language** for current and prospective funding with the salary recommendations and incremental steps to achieve compensation parity listed above.
- ✚ **Adjust Illinois State Board of Education PFA grants, Illinois Department of Human Services CCAP reimbursement rates and contracts, DCFS reimbursement rates and contracts, and quality financial incentives to allow for incremental increases in minimum staff salaries** (based on a bachelor's degree).
 - Establish a base of \$12.50 per hour (\$26,000). Based on *Worthy Work, Still Unlivable Wages*, members of the early care and education workforce who earn less than \$12.50 per hour worry about not being able to pay their monthly bills, housing costs, and transportation to work, and about having enough food for their families. According to the Illinois Department of Employment Security (IDES), Preschool Teachers, excluding Special Education Teachers, earn an average entry level wage of \$9.79/hour (\$20,000) and a median wage of \$12.33 (\$24,000). Factoring a base wage into all grants, contracts, and financial incentives based on program capacity could edge wage scales up.
 - Increase the minimum entry-level salary for lead teacher to \$15.00 an hour (adjusting regionally). As a starting point and in alignment with the national Make It Work Campaign that is seeking a minimum wage for the child care workforce (makeitworkcampaign.org), the starting salary for early childhood teachers should be \$15 an hour. This is about a \$2.50 per hour increase over Illinois's current average early childhood care and education salary (Illinois Department of Human Services, 2013).
 - Establish parity with Head Start wages by setting the base salary at \$17.00 per hour (https://www.nhsa.org/files/resources/illinois_fact_sheet.pdf). According to the IDES, experienced preschool teachers earn \$16.36 per hour (\$34,000). Setting the base wage at par with Head Start will be a concrete step toward closing the gap and moving average pay upward.
 - Establish parity with public school teacher wages by setting the base salary at \$24.00 per hour (adjusted regionally). This figure is based on ISBE data on beginning teacher with BS degree at \$37,000 annually which is 8 hours per day for 190 work days or \$24 an hour. Multiplied times 1960 hours per year for full-time, full-year work, \$24 an hour equates to \$49,000 annually, which is lower than the average Illinois bachelor's degree

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

salary across all fields of \$53,000. (1960 hours = 40 hours per week x 49 weeks as indicated by the “typical” center according to the Illinois Salary and Staffing Survey of Licensed Programs, 2013.)

- Maintain wage parity with all fields of work requiring a bachelor’s degree.*
- ✚ **Provide earlier assurance of funding for the Early Childhood Block Grant** to avoid reductions in staff based on the uncertainty of grant funding. This needs legislative action, but ISBE could provide guidance to school districts and other grantees regarding continuance of funding, and therefore retention of staff, based on child enrollment and performance.*
- ✚ **Offer tax incentives for business and industry partners that invest in or support high-quality early childhood programs.** Louisiana has offered a variety of tax incentives for private sector business that help ECE programs meet program quality standards. Businesses can receive a dollar for dollar tax credit for up to \$5000 spent on high-quality programs. Illinois could adopt this model to garner non-ECE employer support of ExceleRate programs meeting salary schedules as identified in this report. This could be an effective method for building public will and garnering advocates from the business community.
- ✚ **Fund administration of shared services,** family child care networks, or similar structures that can reduce program management costs through increased effectiveness and efficiencies that can then be shifted to staff wages, benefits, and workforce supports.
- ✚ **Fund and implement loan forgiveness for members of the early childhood workforce** who are pursuing or have completed a degree or credential that meets the ExceleRate staffing requirements and who work a requisite number of years in the field. This should be implemented retroactively, so that those currently working in the field who have outstanding loans receive credit for time worked. This initiative would reduce individual indebtedness, indirectly raising income.*
- ✚ **Offer a select number of full scholarships for academically talented high school students** who agree to major in ECE and commit to work as a teacher in a Gold Level program for 4 years.*

Technical assistance efforts that focus on ExceleRate standards and improve management skills and classroom practices can also help both retain and attract a highly-qualified workforce. The following are a few examples of technical assistance that can support compensation parity.

- ✚ **Provide technical assistance on the ACA to members of the early care and education workforce.** Since 2014, all employees and family child care providers now have access to health insurance through the Affordable Care Act (ACA). Employers may now be able to offer healthcare at a lower cost to both employer and employee and shift savings to wages. Providing technical assistance or administrative support services through a shared services model can increase access to employer-supported benefits resulting in cost savings that can be redirected to compensation.
- ✚ **Align coaching and mentoring opportunities** to program improvement or individual professional development plans that address ExceleRate standards related to workplace conditions. Current technical assistance systems and topics could be adjusted to focus specifically on achieving ExceleRate standards (current and to be proposed) that address all

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

facets of workplace conditions – supports, technical assistance, salary schedules and benefit packages that lead to job satisfaction, effective classroom practices, and staff retention.*

- ✚ **Provide opportunities for peer interactions** and relationship-based professional development to improve instructional practices and enhance job satisfaction. Effective supervision and ongoing professional growth opportunities with peers are known to increase knowledge, skills, performance, and job satisfaction. Internal opportunities fostered by the professional development and technical assistance system can secure successful implementation of this strategy.*

* Comparable to recommendations of the Early Learning Council Braided, Blended, and Sustainable Funding (BBSF) Committee (2013)

Conclusions

The gap in wages for bachelor’s level early childhood professionals compared to any other classification of work is unacceptable and detrimental to the optimal development of Illinois’ children. This gap comes at a cost that children and their families and their care and educators can no longer shoulder. There are numerous ways to count the actual cost savings of investing in high-quality programming with well-qualified staff, as there are ways to count the added costs to individual children, families, and society for failing to make those investments. The Workforce Compensation Ad Hoc Committee proposes that specific actions can be taken. There are incremental steps that are possible, realistic, and ultimately affordable to achieve the child outcomes that we expect and are being held accountable for.

Health care insurance is the benefit of most importance to employees and is especially important to those making lower wages. As stated before, in Illinois 23% of the early childhood workforce did not have access to insurance in 2013, meaning that nearly a quarter of those working with young children on a daily basis, in addition to low-pay, had no health coverage of any kind and likely had no medical home. The combination of these factors, can cause stress, lack of job satisfaction, and even depression – all of which have a negative impact on child outcomes.

As of 2014, all of the ECE workforce should now have access to health insurance. Subsidies available to individuals and tax credits and allowable expenses for small businesses can make health insurance one benefit that can be dramatically improved. Increased awareness and training on the ACA targeted to managers and staff could be the first step forward.

There are a number of promising strategies that can be taken to retain a skilled workforce and provide a positive work environment. Very recent research has documented the value of leadership skills, targeted technical assistance, and opportunities for personal growth to support effective practice. Improving directors’ administration and leadership skills and methods for proactively managing turnover can help program leaders be better fiscal managers and promote increased staff stability (CCTAN, 2013). Suppling ongoing targeted coaching and mentoring built on a program needs assessment or individual professional development plan, providing reflective supervision, and offering individual and program financial incentives (Tout, 2015) is also a strategy to improve workplace conditions.

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

The benefit-to-cost ratios for investments in better qualified and adequately compensated staff create a win-win-win situation for children and families, the early childhood workforce, and the state. Illinois has an immediate and fundamental need for a skilled workforce to start children on a trajectory that will lead to stable families and a growing economy. The well-paid practitioner is less worried and happier at work translating into more effective practice and better outcomes for the child, who is more likely to graduate and secure a well-paying job, contributing positively to the state's economy and tax revenues.

“Effective care and education depends in large part on having a workforce with the right combination of skills, attitudes, behaviors, and characteristics that functions within supportive workplaces.” New approaches to calculating the costs and benefits of child care are promising and may prove particularly useful for policy makers in weighing the most effective investments in the early childhood care and education workforce (Rhodes and Huston, 2012).

There is no person, program, or funding source – public or private - that can singlehandedly achieve compensation parity for the ECE workforce. Just as there is no simple solution to achieve parity, there is also no finite marker of success as compensation and workforce supports will need to adjust with changes in society and advances in research. It will take public and private partners, families and practitioners, representatives of higher education and technical assistance providers, along with business leaders and early childhood advocates coordinating efforts over a number of years to achieve the goals of compensation and benefits parity and a supportive work environment. In that period of time, new research will continue to inform best practices and drive us to be ever more effective and efficient in how we support ECE services - but even with an eye to that long term and ongoing work, Illinois' immediate needs are undeniable. Illinois needs highly skilled early childhood teachers now. We must start moving toward parity this year, even as we work to achieve a sustainable long term solution to the problem of compensation parity. We must start moving toward parity this year. Collectively, with determination to find a viable solution, commitment to a common vision, and the fortitude to change the status quo, we can realize a fairly-compensated, professional workforce for Illinois' children.

Appendix A: Brief summaries of national and state resources and initiatives that informed this report.

A defining moment for the field of early care and education was ushered in this year with the republication of *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Developed by the Committee on the Science of Children Birth to Age 8: Deepening and Broadening the Foundation for Success, Board on Children, Youth, and Families, National Academy of Sciences, the study was commissioned to identify the implications of the science of child development and learning for early care and education professionals. One key recommendation is to phase in a bachelor's degree requirement for lead teachers, center directors/administrators, and family child care providers over the next decade.

Transforming the Workforce Recommendation 2: Develop and implement comprehensive pathways and multiyear timelines at the individual, institutional, and policy levels for transitioning to a minimum bachelor's degree qualification requirement, with specialized

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

knowledge and competencies, for all lead educators working with children from birth through age 8.

The rationale for this requirement ... “current differences in expectations across professional roles are largely an artifact of the historical traditions and perceived value of these jobs, as well as the limited resources available to the care and education sectors, rather than being based on the needs of children...if the work load of lead educators for younger children is based on the same science of child development and early learning and the same foundational competencies [as early elementary school teachers], it follows that they should be expected to have the same level of education.”

Suggested strategies for achieving this goal include “pathways and timelines for systems and policy changes to effect parity in compensation across professional roles within the care and education sector; in workplace policies; and in workplace environments and working conditions.”

From the federal perspective the “debate is over”. A bachelor’s degree for early childhood teachers is necessary to effectively support children’s development and get them on a pathway to success. In addition to a bachelor’s degree in ECE, there are additional knowledge and skill sets that are critical to achieving the desired outcomes for young children. Educational leaders need to understand the complexity of needs of early educators, the importance of quality interactions, and how to reach and meet the needs of diverse populations of children. Leadership and management competencies are also vital to maintaining program quality and supporting curriculum implementation. (Deborah Spitz remarks, April 21, 2015, First 5 California Policy Summit presentation)

Transforming the Workforce Recommendation 8: Ensure that policies and standards that shape the professional learning of care and education leaders (elementary school principals and directors in early care and education settings) encompass the foundational knowledge and competencies needed to support high-quality practices for child development and early learning in their organizations.

Reauthorization of the Child Care and Development Block Grant in November 2014 increased the requirement for states to focus on quality of early childhood services and corresponding child outcomes along with child care assistance as an economic support to working families. “The law requires States to develop a system of professional development ...to improve the knowledge and skills of the child care workforce in a manner that result[s] in certification or advanced degrees recognized by the State as demonstrating mastery in their profession.”

The law requires States to take into account the cost of providing higher quality child care services when setting payment rates for providers serving children and families receiving child care assistance. Base provider **payment rates ... should be sufficient to support quality**, including compliance with all health and safety requirements, **a well-trained, effective staff**, a good learning environment, and the provision of age-appropriate learning activities or curricula. The federal Administration of Children and Families (ACF), Office of Child Care encourages States to provide tiered payment with a sufficient rate difference between tiers to support higher quality in which teachers may meet higher education standards, [etc.] and in conjunction with other ongoing financial supports, assistance, and incentives.

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

- The State shall have **training and professional development requirements** (as described in the Act) that are applicable to all CCDF providers.
- The State shall develop and implement strategies to **strengthen business practices** of child care providers.
- The State shall **encourage [public-private] partnerships** with other entities to leverage existing service delivery systems and to increase supply and quality of child care.
- States can award **grants and contracts** to providers in order to provide financial incentives to offer care for special populations, require higher quality standards, and guarantee certain numbers of slots to be available for low-income children eligible for CCDF financial assistance. Grants and contracts can provide financial stability for child care providers by paying in regular installments, paying based on maintenance of enrollment, or paying prospectively rather than on a reimbursement basis. *Without stable funding, it can be difficult for providers to pay for the higher costs associated with providing high quality child care*, particularly those in low-income or rural communities. ACF encourages States to explore how grants and contracts can be used as part of a strategy to increase the supply of high quality care.

Shannon Rudisill, Associate Deputy Assistant Secretary for Early Childhood Development, speaking at a California policy summit on quality improvement stated that **federal grants will no longer fund anything that is not “quality or on a road to quality”**. Public funds should not be spent on anything that is not focused on quality that sustains and moves beyond basic health and safety. (First 5 California Policy Summit, April 2015, Shannon Rudisill, Associate Deputy Assistant Secretary for Early Childhood Development, Administration for Child and Families, U.S. Department of Health and Human Services)

In addition to the nearly \$208 million annually in CCDF funding, Illinois has benefited from several other sources of federal early childhood funding that include support for compensation and professional development as a key element of high-quality programs that realize positive child outcomes. These include:

- Race to the Top-Early Learning Challenge: \$52,500,000
 - Revision of the Quality Rating and Improvement System (QRIS) to a common framework that applies across all sectors. Staff qualifications are aligned with Gateways credentials. Quality assessment tools measure staff qualifications, compensation, benefits, and support for professional development
 - One innovation zone proposed a strategy to pilot minor changes in the Great Start wage supplement initiative to better align with ExceleRate requirements; e.g., prioritizing incentives for recipients working in higher rated programs who meet quality standards and making financial awards at time of degree or credential completion.
- Early Head Start-Child Care Partnerships Grants: \$18,200,000
 - Includes funding for staff that must meet Early Head Start staffing qualifications. The average salary for a Head Start staff person in Illinois is \$17.00 per hour (\$35,000 annually). The partnerships are edging salaries up for the staff working in the newly funded or expanded programs.
- Preschool Expansion Grants: \$20,000,000 a year for 4 years (\$80,000,000)

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

- By 2018, Preschool for All is estimated to add 24,000 new spaces for children, 1100 new lead teachers, and 1100 assistant teachers. Salaries must be commensurate with local K-12 system. This is a significant step in edging salaries up. All expansion brings increased demand for highly-qualified teachers and funding that supports compensation parity.

Much time and attention has been devoted to early care and education workforce compensation inequity. Public and private resources have been invested to both explore and address the gap in compensation equity. The state and national initiatives highlighted below have informed this report and helped to move us forward in addressing the compensation equity gap.

- **Great START (Strategy to Attract and Retain Teachers)** is a wage supplement program that rewards eligible early care and education and school-age care practitioners for completing college coursework while remaining at their current place of employment. Great START was introduced into legislation in June 2000 and permanently signed into law in 2004. The Great START Program is administered by the Illinois Network of Child Care Resource & Referral Agencies (INCCRRA) and funded by the Illinois Department of Human Services (IDHS) Bureau of Child Care and Development. Thirteen thousand eight hundred and eighty-seven early childhood and school-age practitioners have benefited from the program which reduced turnover among participants to an average of 10-12% per year. An average stipend is \$1650 annually.
- The **Professional Development Advisory Council (PDAC)** is comprised of practitioners, educators, and advocates from around the state. Created in December 2002 by the Illinois Department of Human Services (IDHS) Bureau of Child Care and Development, the council developed a coordinated statewide professional development system in March 2005. **Gateways to Opportunity** serves and supports all early care and education, school-age, and youth development professionals regardless of sector or setting. PDAC's overall strategy is to improve the stability of the early care and education workforce through increased professional development and improved opportunities for career advancement.

One of the six standing PDAC committees is Financial Supports. The subcommittee's charge is to:

- Gain statewide consensus regarding compensation parity including regional impact/implications.
- Investigate financial supports to identify and prioritize successes and barriers to professional development access.
- Promote the alignment of existing Gateways to Opportunity financial supports to strengthen accessibility in all settings serving children, youth, and families.

September, 2012, PDAC approved a recommendation to define a well-qualified and competitively compensated workforce for the field of early care and education. The proposed process was to convene an Ad Hoc statewide cross-sector committee under PDAC Financial Supports and ELC Program Standards and Quality. In 2013 the Financial Supports subcommittee presented its findings and recommendations regarding compensation parity for the early childhood and school-age workforce in Illinois to the ELC PSQ subcommittee. Upon review of

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

the findings, the ELC Executive Committee requested further study and development of a report by an Ad Hoc Compensation subcommittee consisting of representatives from both PDAC Financial Supports and the PSQ. In response to the PSQ request, Financial Supports identified the following objectives in the 2013-2015 strategic plan:

- Support the proposed Ad Hoc Committee of the Illinois Early Learning Council, Program Standards and Quality (PSQ) Committee.
- Inform PDAC and other councils/groups of the work and findings from the proposed PSQ Ad Hoc Committee.
- In fall 2013, the **Braiding, Blending, and Sustainable Funding (BBSF) Committee of the ELC** conducted five roundtables across the state to gather “input from early childhood providers on the administrative barriers they face in achieving and maintaining quality as defined by the ExceleRate framework.” (BBSF report 2014, pg. 4) One of the four frequently mentioned barriers was the “inability to hire and retain highly-qualified staff and provide ongoing professional development: Participants highlighted low salaries and benefits and an absence of coordinated professional development opportunities as a barrier to hiring and [retaining] qualified staff,” (BBSF, 2014).
- October 2013, the Office of Planning, Research and Evaluation (OPRE) released ***Number and Characteristics of Early Care and Education (ECE) Teachers and Caregivers: Initial Findings from the National Survey of Early Care and Education (NSECE)***. This study is “the first nationally representative portrait” of center-based and family child care providers working directly with children. The study found that the 1 million paid center-based and 1 million paid home-based providers working in the US are more educated than had been commonly thought, yet remain very poorly paid. Contrary to common opinion, the study found that 53% of classroom teachers had a college degree with 26% having a bachelor’s degree. (pgs. 10-11). The median hourly wage of all center-based teachers was \$10.60. Those with a bachelor’s degree or higher earned \$14.70 an hour. These data validate Illinois Gateways Registry data that found 77% of the workforce has a college degree.
- **The Early Childhood Care and Education Workforce: Challenges and Opportunities: A Workshop Report.** Washington, DC: The National Academies Press, 2012, http://www.nap.edu/openbook.php?record_id=13238. This National Academy of Sciences report found that “the quality and efficacy of [early care and education] settings depend largely on the individuals within the workforce.” Job turnover is high; highest for the youngest children who are most vulnerable to lack of stability and wages are very low compared to other fields. A supportive workplace is able to recruit and retain well-qualified workers by paying adequate wages and benefits and providing an environment where workers are encouraged to reflect on and empowered to make changes in their knowledge and practice (pgs. 85, 86). The report also highlighted the importance of leadership and management skills in supporting effective instructional practice.
- **Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation.** Washington, DC: The National Academies Press, 2015. The National Academy of Sciences released a definitive report on the workforce in 2015. Among the recommendations, it calls on policymakers to “develop and implement comprehensive

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

pathways and multiyear timelines at the individual, institution, and policy levels for transitioning to a minimum bachelor's degree qualification requirement, with specialized knowledge and competencies for all lead educators working with children, birth through age 8. It also emphasizes the need for leadership and management skill development to support instructional practice, increasing wages and benefits, and providing more opportunities for professional development. "Suggestions included pay parity, better working conditions, and trainings to support the mental and emotional well-being of professionals working with young children."

- **Current focus on raising minimum wage at state and national levels**

Minimum wage increases have been the topic of discussion both at the federal level and within the state. In November, 2014 the voters approved an advisory question about increasing the hourly minimum wage to \$10 by January 1, 2015. The Governor, Senate, and House have all proposed minimum wage increases, which if agreed upon and passed could be implemented July 1, 2015 with incremental increases over the next several years. In addition, City Council of Chicago voted in December, 2014 to raise the minimum wage in the city to \$13 per hour by 2019.

In the 2014 State of the Union address, President Obama called on Congress to raise the national minimum wage from \$7.25 to \$10.10 an hour, and soon after signed an Executive Order to raise the minimum wage to \$10.10 for the individuals working on new federal service contracts. [This is a model that could be replicated in state agency contracts with ECE programs]

- **The Raise the Wage Act** would increase the federal minimum wage from \$7.25 to \$12.00 per hour by 2020, then index it to keep pace with wages overall. Establishing one fair minimum wage is a key step toward to fair pay for women. The ECE workforce in Illinois is predominantly female (96%) and the average wage for members of the workforce with a high school diploma or GED is below the proposed national wage, (Bruckner et al, 2013; NWLC, 2015).
 - Women are nearly two-thirds of minimum wage workers. Women of color are 23 percent of minimum wage workers, compared to 16 percent of all workers. *Nearly one-third of working women—and nearly 40 percent of working women of color—would get a raise if the minimum wage increased to \$12.00 per hour by 2020.*
 - Of the workers who would benefit from raising the minimum wage to \$12.00 per hour, more than a quarter have children. *Nearly 30 percent of working mothers—and more than 40 percent of working single mothers—would get a raise under the Raise the Wage Act.*

Appendix B: Cited sources

1. Allen, LaRue and Kelly, Bridget B., Editors. (2015). *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Committee on the Science of Children Birth to Age 8: Deepening and Broadening the Foundation for Success, Board on Children, Youth, and Families, The National Academies Press. http://www.nap.edu/openbook.php?record_id=19401.

Achieving Compensation Parity:

Illinois Goal for the Field of Early Childhood Care and Education

2. Bella, J. (2013). *Discovering and Using Voice: Characteristics of Exemplary Directors of Early Care and Education Programs Who Advocate for Workforce Issues*. Unpublished doctoral dissertation, National Louis University, Chicago, IL.
3. Bishop-Josef, Sandra; Noble, Sean; and Watson, Sara. (2015). *Ensuring Illinois Global Success, Shrinking our "skills gap" through wise investments in children's learning and development*. ReadyNation. <http://www.readynation.org/ensuring-illinois-global-success>.
4. Braided, Blended, and Sustainable Funding Committee (BBSF), Illinois Early Learning Council. (2014). *Exploring Quality: What Do We Need to Get There? Report on the 2013 Roundtables*.
5. Bruckner, Christine; Whitehead, Joellyn; Ernst, Johnna Darragh; and Presley, Deborah. (2013). *Illinois Staffing and Salary Survey of Licensed Child Care Facilities: FY 2013*. Illinois Department of Human Services <http://www.dhs.state.il.us/OneNetLibrary/27897/documents/HCD%20Reports/Child%20Care/FY13StaffSalarySurveyFINAL.pdf>.
6. Bureau of Labor Statistics. (2014). *Occupational Employment and Wages for 25-2011 Preschool Teachers, Except Special Education*. U.S. Department of Labor. <http://www.bls.gov/oes/current/oes252011.htm>
7. Cassidy, Deborah; and methods for proactively managing turnover (Cassidy et al., 2011)
8. Carnevale, Anthony P.; Cheah, Ban; and Hanson, Andrew R. *What's It Worth? The Economic Value of College Majors*. (2015). Center on Education and the Workforce, Georgetown University. https://cew.georgetown.edu/cew-reports/valueofcollege2015_majors.
9. Center for the Study of Child Care Employment (CSCCE). (2010). *State-by-State Wages* (data from the U.S. Department of Labor). CSCCE, Institute for Research on Labor and Employment, University of California-Berkeley. <http://www.irle.berkeley.edu/cscce/2010/state-b-y-state-wage-data-ccw/>
10. Child Care Technical Assistance Network (CCTAN). (2013). *Strengthening the Early Childhood and School-Age Workforce*. CCTAN, Offices of Child Care, Administration for Children and Families, U.S. Department of Human Services. <https://childcareta.acf.hhs.gov/resource/strengthening-early-childhood-and-school-age-workforce>.
11. Federal Register. (2015). *Federal Poverty Guidelines*. <https://www.federalregister.gov/articles/2015/01/22/2015-01120/annual-update-of-the-hhs-poverty-guidelines>.
12. Goldring, Rebecca; Taie, Soheyla; Westat, Minsun Riddles; and Owens, Chelsea. (2014). *Teacher Attrition and Mobility: Results from the 2012–13 Teacher Follow-up Survey*, First Look September 2014, NCES 2014-077. National Center for Education Statistics, U.S. Department of Education. <http://nces.ed.gov/pubs2014/2014077.pdf>.
13. Hamre, Bridget. (2015). Need title of presentation and link to CAWeb site
14. Health Insurance Marketplace. (2015). *Information for small business employers and employees on options available via the Affordable Care Act (ACA)*. Centers for Medicare & Medicaid Services, U.S. Department of Health and Human Services. <https://www.healthcare.gov/small-businesses>.
15. Illinois 2014 Federal Preschool Development Expansion Grant Proposal.
16. Illinois Department of Employment Security. (2014). *Short-term Occupational Projections for 2014-2016* http://www.ides.illinois.gov/LMI/Pages/Employment_Projections.aspx
25-2011 Preschool Teachers, Except Special Education Instruct preschool-aged children in activities designed to promote social, physical, and intellectual growth needed for primary school in preschool, day care center, or other child development facility. May be required to hold State certification. Substitute teachers are included in "Teachers and Instructors, All Other" (25-3099). Excludes "Childcare Workers" (39-9011) and "Special Education Teachers" (25-2050).
17. Illinois ExceleRate, <http://www.excelebrateillinois.com>
18. Illinois Gateways Registry, INCCRRA, <https://registry.ilgateways.com>.
19. Illinois State Board of Education Data on Preschool for All FY 2013. http://iecam.illinois.edu/definitions/ISBE_PreK_PFA/ISBE_PreK_PFA-FY2013.html.

Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education

20. IOM (Institute of Medicine) and NRC (National Research Council). (2012). *The Early Childhood Care and Education Workforce: Challenges and Opportunities: A Workshop Report*. The National Academies Press. http://www.nap.edu/openbook.php?record_id=13238
21. Make It Work Campaign, www.makeitworkcampaign.org
22. (McCormick Center for Early Childhood, 2015).
23. Park, Maki; McHugh, Margie; Batalova, Jeanne; and Zong, Jie. (2015). *Immigrant and Refugee Workers in the Early Childhood Field: Taking a Closer Look*. Migration Policy Institute. <http://www.migrationpolicy.org/research/immigrant-and-refugee-workers-early-childhood-field-taking-closer-look>.
24. Monster Insights. (2012). *What Employee Benefits Matter Most to Job Seekers?* Monster. <http://hiring.monster.com/hr/hr-best-practices/workforce-management/employee-benefits-management/job-offer.aspx>.
25. National Center for Educational Statistics (NCES). *Indicator 24: Time Spent in Formal Instruction*. NCES, U.S. Department of Education. <https://nces.ed.gov/pubs/eiip/eiipid24.asp>.
26. National Center for Educational Statistics (NCES). (2014). *Teacher Attrition and Mobility: Results from the 2012-13 Teacher Follow-up Survey, First Look* (NCES 2014-077). NCES, Institute of Education Sciences, U.S. Department of Education. <https://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014077>.
27. National Women’s Law Center. (2015). *Fair Pay for Women Requires a Fair Minimum Wage*. <http://www.nwlc.org/resource/fair-pay-women-requires-fair-minimum-wage>.
28. Office of Child Care (OCC), Child Care and Development Fund (CCDF) Reauthorization. (2014). OCC, Administration for Children and Families, U.S. Department of Human Services. <http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization>.
29. Office of Head Start (OHS). (2015). *Early Head Start - Child Care Partnerships*. (2015). OHS, Administration for Children and Families, U.S. Department of Health and Human Services. <http://www.acf.hhs.gov/programs/ecd/early-learning/ehs-cc-partnerships>.
30. Office of Planning, Research, and Evaluation (OPRE), (2013). *Number and Characteristics of Early Care and Education (ECE) Teachers and Caregivers: Initial Findings from the National Survey of Early Care and Education (NSECE)*. OPRE, Administration for Children and Families, U.S. Department of Health and Human Services <http://www.acf.hhs.gov/programs/opre/resource/number-and-characteristics-of-early-care-and-education-ece-teachers-and>.
31. Rhodes, Holly; and Huston, Aletha. (2012). *Building the Workforce Our Youngest Children Deserve*, Social Policy Report, Volume 26, Number 1. Society for Research in Child Development. http://www.srcd.org/sites/default/files/documents/spr_261_final.pdf.
32. Rohacek et al., 2010)
33. Small Business Administration (SBA). (2015). Information and training for small businesses on the Affordable Care Act (ACA) <https://www.sba.gov/healthcare#>.
34. Kathryn Tout; Dale Epstein; Meg Soli; Claire Lowe. (2015). *A Blueprint for Early Care and Education Quality Improvement Initiatives*. <http://www.childtrends.org/?publications=a-blueprint-for-early-care-and-education-quality-improvement-initiatives-final-report>
35. Whitebook, Marcy; Phillips, Deborah; and Howes, Carolee. (2015). *Worthy Work, Still Unlivable Wages*, Center for the Study of Child Care Employment, Institute for Research on Labor and Employment, University of California, Berkeley. <http://www.irle.berkeley.edu/cscce/wp-content/uploads/2014/11/ReportFINAL.pdf>.

As part of the Illinois Early Learning Council’s Program Standards and Quality Workforce Compensation Subcommittee this report was researched and authored by Valerie Krajec and Joni Scritchlow.