

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

## **The Problem**

To achieve the best outcomes for children and their families, high-quality programs must employ a professionally prepared and compensated workforce. Federal and state investments and private support for early childhood services are indicative of the value that we place on young children and their families. The individuals that make up the workforce must be able to effectively work with young children, engage families in their healthy development, and coordinate with support services. As a state and nation we have taken great strides in improving program quality and practitioner qualifications, yet minimal progress has been made over the past 25 years in achieving compensation parity for comparable qualifications.

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 the ECE workforce have remained relatively flat over the last two decades. Furthermore, most members of the early care and education workforce have financial worries that can lead to both mental and physical health issues and impact their interactions with children (Whitebook, Phillips, and Howes, 2014).

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 (READYNATION, 2015; US Department of Human Services, 2013). **To achieve compensation parity, an early childhood teacher with a bachelor's degree and specialized competencies should receive \$53,000-\$57,000 per state and national comparison.**

## **Salary Recommendations**

The Early Learning Council Program Standards and Quality Workforce Compensation Subcommittee recommends that the field move toward a beginning salary of \$24 per hour for early care and education teachers who hold bachelor's degrees with specialized competencies.

To achieve compensation parity with public school teachers, the committee recommends these steps: 1) establish an entry-level salary at \$15.00/hour; 2) increase the entry-level salary to \$17/hour to establish parity with Head Start teachers; and 3) achieve parity with public school teachers by setting the entry-level salary at \$24/hour.

Wages can be adjusted regionally using standard multipliers. Current data systems already in place would be updated to verify and track average salaries.

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## **Why Compensation Parity is Important**

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. The Illinois Department of Employment Security's predicted need for 806 new preschool teachers between 2014 and 2016 adds urgency to the mandate. Unless Illinois establishes compensation parity now, our youngest children will continue to suffer from our teacher deficits – deficits in numbers of teachers and teaching expertise caused by continuous, rapid turnover.

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<sup>®</sup>Illinois has set the standards for program quality and workforce qualifications that apply to all early childhood sectors and settings (<http://www.excelerateillinois.com>).

Given the increased investment in early childhood education at the state and national levels it is clear that Illinois needs a robust and talented workforce to secure our future on two fronts: to meet increased demand for early educators in this decade and to support student success in the decades to come. The U.S. Department of Labor indicates that child care as a field is expected to have a 14% growth rate over the next decade. 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. "To reverse Illinois' skills-gap troubles, ReadyNation urges greater, research-proven investments in supports for young children's learning and development" (ReadyNation, 2015).

## **Methodology**

In the fall of 2014, the Workforce Compensation Subcommittee 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).

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The Subcommittee chose to examine **compensation parity** in line with educational level, not experience, focusing on wages for teachers with bachelor's degrees. 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.

For the purpose of this report and as a starting point for a broader consideration of compensation, the wage, benefits, and workplace conditions that we explore in the full report focus on licensed center-based staff. We see the field of early care and education as a career with many roles, pathways, and educational levels. The Work Group recognizes that administrators, assistant teachers, family support workers, home visitors, social workers, early interventionists, paraprofessionals, and many more also compose the early care and education workforce. We chose the current focus of licensed center-based teachers with a bachelor's degree and documented early childhood competencies for the sake of brevity and as a starting point for further discussions and investigations of compensation parity among all roles within the field.

Although compensation is the primary focus of this report summary, the Subcommittee also explored **benefits** that make up typical and expected compensation packages and found that the early childhood field provides paid holidays, sick leave and medical insurance benefits at average levels comparable to those paid across all fields. This fact does not negate the need for increased benefits or more standardized practices within the field of early childhood, as explored in the full report. In general, however, the benefits issues are not unique to early childhood. A third area of examination was "**workplace conditions**" – the practices, supports, and environmental elements that contribute to job satisfaction and effective practice.

### STRENGTHENING THE WORKFORCE

*Changes ... are needed to strengthen the early care and education workforce through supports that include **informed leadership**; access to high-quality degree-granting programs; ongoing professional learning opportunities; practice environments that enable and reinforce the quality of their work; and **attention to their working conditions, well-being, compensation, and perceived status or prestige.***

*Transforming the Workforce for Children Birth Through Age 8 A Unifying Foundation, Report Brief, 2015, Institute of Medicine*

#### Findings

**The Subcommittee determined that the average statewide salary for early childhood teachers with bachelor's degrees and specialized competencies working 40 hours per week, 49 weeks per year should be \$49,000 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 remains below the average Illinois salary for bachelor's degrees across all fields (\$53,000).**

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Health insurance is the benefit of greatest value to all employees. The lower the income the more important it is. Some employees are willing to take a lower hourly wage for better health coverage (Monster.com, 2015). Providing information about and technical assistance on the Affordable Care Act could increase employee access to health care coverage and potentially lower administrative costs that would allow more program assets to be targeted to wages.

Strong leadership and management skills are linked to compliance with health and safety regulations (child and adult), effective classroom practices and ongoing professional development, parent engagement in their children's development, and connecting families and staff to support services. Strong leaders who attend to these critical program characteristics set the conditions in which high quality teaching and learning is optimized. Requiring that ExceleRate programs meet standards related to program management, work environment, and staff supports could improve job satisfaction, teacher practice, and child outcomes.

Good stewardship of public, private, and family funds requires us to look at the costs to society for paying substandard compensation to the ECE workforce. If Illinois is to secure a workforce capable of achieving the lasting outcomes society demands then it is imperative that we employ innovative approaches to current and potential sources of both public and private funding.

### **Suggested Strategies to Attract and Retain a Highly-Qualified Workforce**

The following strategies build on existing initiatives as a method for achieving compensation parity using current sources of funding and existing infrastructure. These strategies require both public and private support at the local, state, and federal levels for successful implementation. Additional strategies are detailed in the full report.

- ✦ **Develop or require ExceleRate program standards** that meet the compensation levels outlined in this summary. For example, PAS indicators rate wage scales, pay increases, and benefits, but are not currently required. Standards could be adjusted to align with the subcommittee's recommendations and then be incrementally required for quality ratings.
- ✦ **Require 80% of current 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).
- ✦ **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).

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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 Affordable Care Act to ExceleRate program administrators and staff.
- *Align coaching and mentoring opportunities* to program improvement or individual professional development plans that address ExceleRate standards related to workplace conditions.
- *Provide opportunities for peer interactions* and relationship-based professional development to improve instructional practices and enhance job satisfaction.

### **Summary**

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.

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