Consensus Statement on Early Childhood Educator Compensation

August 2019

Our Principles

1. **The work of early childhood educators is sophisticated.** Adults are central to the healthy early learning and development of children, and educators have a greater impact on setting quality than any other variable.¹

2. **Early childhood educators should reflect the families and communities they serve.** Seeing their own identities reflected in their teachers can improve students’ perceptions of and performance in school.²

3. **Compensation parity is the foundation of a quality workforce.** High quality ECE requires a diverse, competent, well-compensated, and professionally supported workforce that is stable enough to build the relationships that support child development.³

4. **The current ECE market functions because ECE professionals forgo a living wage aligned to the sophistication of their work.** Solutions to this problem must avoid adversely impacting family access to affordable care.

Who are early childhood educators?

For the purposes of this report, early childhood educators are the assistant teachers, paraprofessionals, lead teachers, family educators, teacher administrators, administrators, and directors caring for young children in homes, centers, and schools across Illinois.

The ECE industry is comparable in size to the journalism, home improvement, or women’s clothing industries. However, ECE is different in that it underlies all other industries and can affect lost productivity elsewhere.

More broadly, the field of early childhood education can include all professionals involved in educating and caring for young children from birth through age eight. However, there is a large disparity in compensation between early childhood educators and early elementary educators.

Early childhood educators build the foundation for children’s future success. They help children to build the social, emotional, and academic skills that they’ll need to be successful in school and beyond, providing stability and consistency in a warm relationship that can nurture brain development and protect against the harms of childhood trauma. Their work is nuanced, sophisticated, and valuable.
Who was involved in the drafting of this report?
This report was completed with support from the National Governors Association Center for Best Practices through their *Improving Early Care and Education Workforce 2.0* Policy Academy, a grant whose purpose was to support states in exploring policy improvements related to the early care and education workforce. This grant was awarded to the Governor’s Office of Early Childhood Development, the lead agency for the Early Childhood Workforce Development project of the Governor’s Cabinet on Children and Youth. Project members involved in this work include representatives from the following agencies and organizations:

- Illinois Community College Board
- Illinois Department of Human Services
- Illinois State Board of Education
- City of Chicago
- Illinois Action for Children
- Illinois Network of Child Care Resource & Referral Agencies
- Lincoln Land Community College
- National Louis University
- Ounce of Prevention Fund
- SAL Family and Community Services
- University of Illinois at Chicago

Who was involved in providing input and feedback on this report?
Child Care Advocates United of Illinois
Early Learning Council Quality Committee
Fight Crime: Invest in Kids Illinois
Fox Valley United Way – SPARK Early Childhood Collaboration
Grand Victoria Foundation Early Learning Leadership Circle
Illinois Association for the Education of Young Children
Professional Development Advisory Council Financial Supports Committee
Professional Development Advisory Council Workforce Development and Pathways Committee
Ready Nation Illinois
Teach Plus Illinois 2018-2019 Early Childhood Educator Policy Fellows
What do we know about ECE compensation in Illinois?

Early childhood educator median hourly wages in Illinois:\[iv\]

- Infant-toddler assistant teacher: ~$10
- Preschool assistant teacher: ~$10-11
- Infant-toddler teacher: ~$12
- Preschool teacher in a licensed child care setting: ~$12-13
- Preschool teacher in a school-based setting: ~$19
- Setting director: ~$15-16

For comparison, other educator median hourly wages in Illinois:

- Kindergarten teacher: ~$30
- Elementary teacher: ~$34

For too many years, early childhood professionals have been subsidizing the early childhood system with lower than adequate wages. Experienced and dedicated teachers are being forced to find higher paying jobs with benefits so they can adequately care for their own families.

- Lori Longueville, John A. Logan College Child Care Resource & Referral

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1 Due to the ways in which early childhood educator compensation data is collected in Illinois and nationally, an accurate estimate of home child care workers in Illinois is not currently available.
By 2025, Illinois’ minimum wage will rise to $15 per hour. According to MIT, a living wage for one adult and one child in Illinois is $26.22 per hour. Currently, wages for early childhood educators in Illinois do not meet either of these benchmarks, nor is it feasible for employers to meet them with current revenue levels across funding sources.

- Early childhood educators working outside of schools earn wages in the 2nd percentile of annual earnings. These wages have remained stagnant since 2015, neither increasing nor keeping up with inflation or cost of living changes.
- In all states, early childhood educators working outside of schools earn less than 2/3 of the median wage for all occupations in the state.
- In Illinois, wages for early childhood educators working outside of schools are similar to those of manicurists, cashiers, and hotel desk clerks. Wages for preschool teachers in Illinois are similar to those of bank tellers and receptionists.

These low wages are not aligned to educator qualifications: nearly half (46%) of licensed child care center teachers in Illinois have a BA or higher, and nearly all school-based preschool teachers have a BA or higher.

As a result, educators and providers are struggling to make ends meet at home, and early childhood programs are struggling to function due to resulting workforce instability and shortages.

<table>
<thead>
<tr>
<th>Illinois’ ECE investments buy services from community-based organizations at an alarmingly discounted rate. This especially hurts educators in community-based organizations, who get paid less than educators in schools simply because there aren’t the resources to pay more.</th>
</tr>
</thead>
</table>

- Half (50%) of Illinois early childhood educators are currently receiving public income supports, such as EITC, Medicaid, food stamps, or TANF.
- Over half of Illinois early childhood educators do not have access to a benefits package through their employer.
- Statewide average early childhood educator turnover is 37%, while K-12 educator turnover is 11%. Stability and consistency is a core component of positive relationship building between children and adults that supports strong child development.
- According to a survey of Illinois ECE hiring managers, the greatest barrier to hiring for a lead teacher in a preschool program is that applicants desire higher pay than is available; the biggest reason why lead teachers in preschool settings leave their positions is inadequate pay. These challenges with compensation affect setting quality by undermining stability and consistency.

Further, there are issues of equity when it comes to who is shouldering this burden. Over 96% of early childhood educators are women (compared to elementary teachers’ 83% and high school teachers’ 55%). In school-based settings, 18% of preschool teachers are people of color, while this percentage rises to 47% for licensed child care centers and 67% for licensed child care homes (compared to K-12 teachers’ 17%). Wages in school-based settings tend to be significantly higher than other early childhood settings, and so it’s likely that early childhood educators of color earn less than their white counterparts.
Supporting compensation adequacy and parity for early childhood educators is an issue of equity and quality, not only for systems writ large but for the adults and children who make up those systems.

Proposed Paths to Compensation Parity
For the purposes of this report, compensation refers specifically to salary or wages and benefits packages that can include health insurance, retirement, paid time off, etc. According to the Center for the Study of Child Care Employment and the National Institute for Early Education Research, compensation parity is “parity with K-3 teachers for salary and benefits for equivalent levels of education and experience, prorated to reflect differences in hours of work in private settings where applicable, and including payment for non-child contact hours (such as paid time for planning).” States with policies supporting compensation parity are more likely to score higher on other measures of pre-k quality and are more likely to have higher pre-k enrollment.

This report mainly addresses policies that directly impact salary or wages for early childhood educators. While benefits for early childhood educators were not the main focus of this analysis, access to benefits remains a deciding factor for educators looking for employment and persists as a disparity across the early care and education workforce. Other recent reports, such as the Chicago Early Childhood Workforce Committee’s Recommendations to promote competitive compensation for Chicago’s early childhood professionals, address ECE benefits including health insurance pooling, coverage stipends, partnerships with health care organizations, City support for Marketplace navigators, and substitute and specialist pools.

The paths proposed are designed to work in coordination with one another; however, it would be possible to see independent progress and implementation on each path separately. Further, these proposed paths remain high-level to allow for further discussion on statutory or regulatory changes, appropriation, and other mechanisms of implementation that could take several different forms.

Limitations: The estimates that follow represent a preliminary analysis of the costs and benefits associated with moving toward compensation parity for early childhood educators. In general, they do not take into account layering of multiple funding streams that can occur in some early childhood settings.

1. Develop a wage or salary schedule for early childhood educators.
Wage or salary scales are pre-determined compensation rates paid to educators based on criteria such as role, qualifications, experience, tenure, etc. Wage scales promote career growth while creating a livable wage floor.

What are we already doing? In most parts of Illinois, school-based early childhood educators funded through the Early Childhood Block Grant are members of the local teacher’s union and participate in school district salary steps. Further, 48% of licensed child care centers have a salary scale that is shared with staff. However, there is little alignment.

What are other states doing? Washington developed a wage scale for early childhood educators across the field; this scale exceeds parity with elementary school teachers to take into account most early childhood educators’ full-day and yearlong schedules. This scale is in state statute. North Carolina developed a wage scale for early childhood educators that creates parity with kindergarten teachers, was developed at the state agency level, and is being tested via focus groups.
Proposal: The draft wage scale below was developed as a preliminary wage scale for early childhood educators and to support analysis in the subsequent policy proposals. The schedule was created using initial calculations from the Illinois Early Learning Council report *Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education*, labor statistics data by occupation, and minimum wage law calculations; it was then vetted by those involved in drafting this consensus statement. This schedule is recommended as a draft starting point of average rates of compensation for FY20, allowing for variation within each position for differences in expertise and with a need to scale beyond FY20 to account for minimum wage law implementation. Further analysis should consider how this proposed schedule would shift educators’ eligibility for public benefits.

Ultimately, this draft scale should be expanded to create a more detailed matrix identifying how wages could vary higher or lower from the averages listed here based on other factors such as qualifications and tenure and incorporating cost of living adjustments (COLAs). The expanded matrix should be validated by the field to ensure it includes all appropriate positions and that relative wage differences are appropriate.

![Table](image)

*Note that the salaries included have been calculated by annualizing the wages at 2,080 hours per year. The hours per day and weeks per year that an educator may work often varies depending on the early care and education setting.*
2. Incorporate compensation into ECE contracts, such as those for Child Care Assistance Program (CCAP) and Early Childhood Block Grant (ECBG), and expand use of those contracts.

Requirements that funding be spent to meet pre-determined educator compensation levels can be written directly into public funding disbursement documents, such as child care subsidy contracts or ECBG requests for proposal (RFPs). Such language often references a wage scale.

What are we already doing? In Illinois, the Preschool for All Expansion RFP require that teaching staff salaries be comparable to local K-12 teaching staff salaries; however, the Prevention Initiative and Preschool for All RFPs do not have this requirement. In Chicago, the FY20 Community-Based Programs RFP includes minimum salary requirements that are higher than previous salary averages but not on par with school-based preschool or K-12 teaching staff. Compensation requirements are not written into CCAP certificates or contracts.

What are other states doing? In Alabama and Georgia, preschool teachers across setting types earn the same starting salary as K-12 teachers based on equivalent qualifications. Based on wage scales, preschool teachers also recently began to receive annual raises in line with their K-12 counterparts.

Proposal: The chart below outlines a plan in which settings with varying shares of children qualifying for CCAP are funded in part via CCAP contracts with the Illinois Department of Human Services (IDHS) containing wage scale requirements rather than via individual family CCAP certificates or vouchers. This analysis does not consider funding streams outside of CCAP and private tuition, and the analysis holds private tuition constant so as not to further burden these families. Costs are thus conservatively high because they include supplemental increases necessary to support all educators in a setting, including those caring for children who are not CCAP-eligible, and they do not include larger per-child revenue streams such as Head Start, Early Head Start, or ECBG. Total costs also represent a range of potential costs to the state of between $229.2 million and $437 million, as settings across the state hold ExceleRate Circles of Quality ranging from Licensed through Bronze, Silver, and Gold (estimates for Licensed and Gold are provided here as examples). In total, the plan below would serve nearly half (45%) of all CCAP children ages 0-5.

Figure 3.

<table>
<thead>
<tr>
<th>Center Enrollment</th>
<th>Children Eligible for CCAP</th>
<th>Children Non-Eligible for CCAP</th>
<th>Centers</th>
<th>Cost (above current reimbursement) for Licensed</th>
<th>Cost (above current reimbursement) for Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%-75% CCAP</td>
<td>11,562</td>
<td>7,577</td>
<td>272</td>
<td>$139M</td>
<td>$281M</td>
</tr>
<tr>
<td>75%+ CCAP</td>
<td>7,499</td>
<td>624</td>
<td>142</td>
<td>$90.2M</td>
<td>$156M</td>
</tr>
<tr>
<td>Total</td>
<td>19,061</td>
<td>8,201</td>
<td>414</td>
<td>$229.2M</td>
<td>$437M</td>
</tr>
</tbody>
</table>

Shifting current CCAP reimbursement rates toward the 75th percentile of market rates would incorporate a significant share of this proposed cost.
The chart above does not outline the cost necessary to support educators funded by the ECBG along wage scale requirements. Completing this analysis could support expansion of compensation requirements within ECBG RFPs beyond Preschool for All Expansion, where compensation parity with local school district educators is required.

3. Incorporate compensation into ExceleRate and adjust CCAP tiered reimbursement rates to ensure providers can meet ExceleRate components, including compensation.

Educator compensation, wellbeing, and retention directly affect an ECE setting’s quality, and so tiered reimbursement for CCAP tied to ExceleRate, Illinois’ tiered quality rating improvement system, can provide greater reimbursement to settings whose compensation rates are closer to parity with K-12 teachers. Since settings must participate in ExceleRate to receive tiered reimbursement, language in ExceleRate and in tiered reimbursement policy can require or encourage settings to provide compensation in alignment with an established wage scale.

What are we already doing? Currently, licensed providers with Silver or Gold ExceleRate status receive a quality add-on (tiered reimbursement rate) of 10-15% on top of their current reimbursement rates, respectively. License-exempt family child care homes can receive a quality add-on of 10-20% by participating in a tiered training program. However, current reimbursement rates and quality add-ons are insufficient to support a program’s ability to meet ExceleRate Silver or Gold requirements without significant supplemental funding, either at the state or federal level (such as CCAP, ECBG, and Head Start) or the local and private level (such as local funding sources, philanthropy, or private family tuition).

What are other states doing? In Kentucky, educator compensation and benefits support appear on the quality rating and improvement system; however, these items are part of a menu of options from which settings may (but are not required to) select. Montana’s quality rating and improvement system dictates the share of a setting’s budget, from 20-50%, that must be directed toward personnel costs such as salary and staff support; however, most standard setting budgets already allocate the majority of funding toward personnel. And Massachusetts provided an increase in general revenue funding to support the early childhood workforce and increase the quality add-on rate; however, there is no requirement that this funding be designated for compensation.

Proposal: The chart below outlines the increase in the tiered reimbursement rate, above the current reimbursement rate, necessary to support licensed centers rated either ExceleRate Licensed or Gold and located across the state to provide compensation aligned to the wage scale proposed in this report. Total costs to provide these levels of tiered reimbursement to increasing shares of the early childhood field follow. Current rates at the 75th percentile of the market are provided for reference. As in the previous proposal, analysis does not consider funding streams outside of CCAP and private tuition, and the analysis holds private tuition constant so as not to further burden these families.

When I first started working, I had an Associate’s degree and I still qualified for a medical card and food stamps. I couldn’t go to work where I had a passion, I had to go where I could find a livable wage.

- Illinois early childhood educator
Figure 4.

<table>
<thead>
<tr>
<th>Group</th>
<th>Rating</th>
<th>Rate (Licensed Center)</th>
<th>Infant-Toddler</th>
<th>Two-Year-Old</th>
<th>Preschool</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>Licensed</td>
<td>Current 75th percentile of market rate</td>
<td>$64.27</td>
<td>$57.80</td>
<td>$52.50</td>
</tr>
<tr>
<td></td>
<td>Rate needed to implement wage scale</td>
<td>$48.47</td>
<td>$40.93</td>
<td>$34.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in reimbursement rate</td>
<td>$60.10</td>
<td>$50.75</td>
<td>$42.30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gold</td>
<td>Rate needed to implement wage scale</td>
<td>$129.90</td>
<td>$109.69</td>
<td>$91.41</td>
</tr>
<tr>
<td></td>
<td>Increase in tiered reimbursement</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current rate + tiered reimbursement</td>
<td>$53.32</td>
<td>$45.02</td>
<td>$37.52</td>
<td></td>
</tr>
<tr>
<td>1B</td>
<td>Licensed</td>
<td>Current 75th percentile of market rate</td>
<td>$54.18</td>
<td>$49.60</td>
<td>$45.00</td>
</tr>
<tr>
<td></td>
<td>Rate needed to implement wage scale</td>
<td>$60.10</td>
<td>$47.48</td>
<td>$43.91</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in reimbursement rate</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gold</td>
<td>Rate needed to implement wage scale</td>
<td>$122.14</td>
<td>$96.49</td>
<td>$72.37</td>
</tr>
<tr>
<td></td>
<td>Increase in tiered reimbursement</td>
<td>152%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current 75th percentile of market rate</td>
<td>$36.63</td>
<td>$32.40</td>
<td>$29.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Licensed</td>
<td>Current reimbursement</td>
<td>$34.96</td>
<td>$29.67</td>
<td>$24.78</td>
</tr>
<tr>
<td></td>
<td>Rate needed to implement wage scale</td>
<td>$51.74</td>
<td>$43.91</td>
<td>$36.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in reimbursement rate</td>
<td>48%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gold</td>
<td>Rate needed to implement wage scale</td>
<td>$38.46</td>
<td>$32.64</td>
<td>$27.26</td>
</tr>
<tr>
<td></td>
<td>Increase in tiered reimbursement</td>
<td>216%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Shifting current CCAP reimbursement rates toward the 75th percentile of market rates would incorporate all of the proposed reimbursement increase for Licensed centers in Groups 1A and 1B and a significant share of that of Group 2.³

Figure 5.

<table>
<thead>
<tr>
<th>% of Centers Paying Recommended Salary Schedule</th>
<th># of Centers</th>
<th># of CCAP children</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>484</td>
<td>10,568</td>
<td>$19,315,703</td>
</tr>
<tr>
<td>50%</td>
<td>968</td>
<td>21,136</td>
<td>$38,631,407</td>
</tr>
<tr>
<td>75%</td>
<td>1,451</td>
<td>31,704</td>
<td>$57,947,110</td>
</tr>
</tbody>
</table>

In Figure 5, at an additional cost of approximately $58 million to the State of Illinois, 75% of licensed centers could increase educator compensation to the recommended salary schedule.

³ Figure 4 shows that shifting current CCAP reimbursement rates toward the 75th percentile of market rates would result in uneven coverage of proposed increases to reimbursement rates: increases for licensed centers in Groups 1A and 1B would be completely covered, while increases in Group 2 would be partially covered. According to discussions with providers, this is because the large share of CCAP eligibility often dictates the market rate rather than vice versa, creating a vicious cycle in which market rates are kept far below the cost of providing high-quality care. This should be examined in a reimbursement rate task force as proposed in the conclusion of this report.
What about financial relief strategies like the Great START wage supplement?

Great START wage supplements provide quick financial relief to educators at no cost to providers through small biannual bonuses. These bonuses can help encourage educators to remain in their roles because they are tied to an educator’s current position; however this very structure may not affect an educator’s decision to remain in a setting or the field if she can find higher wages outside the field in order to better make ends meet. Current Great START wage supplements are available to educators earning less than $18 per hour; the maximum supplement available is $3,900 annually (available to early childhood educators with master’s degrees earning less than $18 per hour).

Currently, fewer than 6% of early childhood educators in Illinois are able to take advantage of the Great START wage supplement. Using Great START to increase the wages of only those participating educators to the draft wage scale on page six would cost the State of Illinois an additional $27 million.

Conclusion

Early childhood educator compensation parity has been a frequent and consistent topic of discussion at advisory and stakeholder tables in Illinois and nationally for a long time. Until recently, these discussions have largely remained theoretical. The Early Learning Council report Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education was Illinois’ first step toward quantifying parity rates of compensation and identifying policy mechanisms to achieve compensation parity. This consensus statement builds on previous efforts by offering initial analysis and modeling of those policy mechanisms.

To move these proposals toward consideration and implementation while seeking to avoid unintended consequences that may burden providers or families, we recommend the following:

1. Further analysis and modeling within state agencies to better estimate the costs of implementation within Illinois’ mixed delivery system of ECE services and track the impact of any changes on different parts of the workforce.
2. Establish a Child Care Assistance Program reimbursement rate task force to identify CCAP reimbursement rates that are sufficient to allow settings to keep their doors open while complying with minimum wage shifts and adequately compensating educators. This work should be done within the context of the entire funding system, inclusive of Head Start and Early Head Start and the ECBG, to consider all funding sources that a program may receive, and should incorporate modeling of the cost of quality care currently underway through the state’s Preschool Development Grant Birth to Five.
3. Consider further expanding subsidy eligibility to support child care affordability for families paying child care tuition.

If Illinois wants to expand access to high-quality ECE, we need to attract and retain good teachers. If we can’t find and keep teachers, we won’t have quality care because we won’t have anybody working there. And if you know anyone looking to teach in the Chicago area, please have them call me!

- Amanda Cardin, Goedert Center for Early Childhood Education
Appendix

Process and methodology for developing this consensus statement

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received award from the National Governors Association Center for Best Practices</td>
<td>April 2018</td>
</tr>
<tr>
<td>Developed action plan outlining activities</td>
<td>August 2018</td>
</tr>
<tr>
<td>Conducted national review and scan of compensation parity policies</td>
<td>September 2018 - January 2019</td>
</tr>
<tr>
<td>Began discussions with local, state, and national experts on ECE compensation parity</td>
<td>October 2018 – April 2019</td>
</tr>
<tr>
<td>Commissioned analysis and modeling of promising policies within the Illinois context</td>
<td>February – April 2019</td>
</tr>
<tr>
<td>Conducted stakeholder engagement with early care and education advisory and stakeholder bodies statewide</td>
<td>December 2018 – July 2019</td>
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<tr>
<td>Worked with stakeholders to refine, finalize, and produce consensus statement</td>
<td>May – July 2019</td>
</tr>
</tbody>
</table>

Endnotes


