

JUNEAU CHILD CARE: A LOOK AT COMPENSATION AND RETENTION INITIATIVES

JUNEAU CHILD CARE August 2011

Juneau's early childhood education programs face significant challenges when it comes to attracting, retaining and developing child care professionals.

By improving the education level & compensation for child care workers, children are more likely to receive the high quality, consistent care necessary for healthy development & growth.

Teacher education and compensation incentive programs across the nation have been successful in addressing these issues.



BEST BEGINNINGS
Alaska's Early Childhood Investment



AEYC-SEA

thread

Juneau Child Care by the Numbers

JUNEAU POPULATION UNDER AGE SIX 2010 ¹	2,376
JUNEAU POPULATION UNDER AGE SIX WITH NO STAY-AT-HOME PARENT ²	1,805
TOTAL LICENSED CHILD CARE SLOTS IN JUNEAU ³	575
RATIO OF CHILDREN UNDER 6 TO LICENSED CHILD CARE SLOTS ⁴	1 TO 4.1
AVERAGE ANNUAL CHILD CARE WAGES IN JUNEAU 2010 ⁹	\$20,158
AVERAGE ANNUAL WAGES IN JUNEAU 2010 ⁹	\$44,074
AVERAGE ANNUAL ELEMENTARY SCHOOL TEACHER WAGES IN JUNEAU 2010 ⁵	\$53,730
SALARY NEEDED TO AFFORD THE FAIR MARKET RENT FOR A 2-BEDROOM APT ⁶	\$48,880
THE 2010 TURNOVER RATE FOR ALL JUNEAU CHILD CARE WORKERS ⁷	65%
ANNUAL CHILD CARE TURNOVER RATE IN ALASKA ³	46%
ANNUAL CHILD CARE TURNOVER RATE NATIONALLY ⁸	33%
TOTAL CHILD CARE WORKERS IN JUNEAU 2010 (AVG EMPLOYMENT) ⁷	141
CHILD CARE WORKERS WITH A CHILD DEVELOPMENT ASSOCIATE OR AT LEAST 12 CREDITS EARLY CHILDHOOD EDUCATION ⁷	26

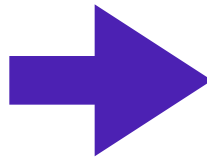
Sources: 1 2010 US Census; 2 American Community Survey; 3 AEYC; 4 JEDC estimate; 5 BLS 2010; 6 National Low Income Housing Coalition; 7 JEDC survey for AEYC; 8 NAEYC; 9 Alaska Department of Labor

Positive Outcomes in Four States

Overall Findings

Professional development and retention programs for child care providers: Overall Findings

Compensation and retention initiatives are designed to reward early childhood professionals who complete training, attain credentials and degrees, and who exhibit commitment to the field of early childhood and/or their current workplace. They include a graduated pay scale that provides increased stipends or salary enhancements based on increased levels of training completion, credentials, or degrees. The outcomes of these programs have been well researched and documented and linked to several positive outcomes.



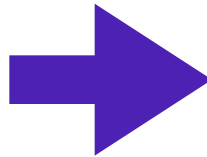
Outcomes

- **Finding 1-Improved Retention:** In each case a corresponding drop in employee turnover at child care facilities has been measured and is usually found to be “considerably less”.
- **Finding 2-Improved Education Levels:** All programs reviewed had a professional development component and thus all programs reported increases in education levels among child care staff.
- **Finding 3-Increased Professionalism:** Participants in most programs reported increased feelings of professionalism, along with increased morale among employees.

Program

North Carolina WAGE\$ Project

The goal of Child Care WAGE\$ is to provide financial incentives for staff who remain with their employers and who seek additional education.



Outcomes

- Ninety-six percent of respondents stated that WAGE\$ encouraged them to stay in the current child care programs.
- The turnover rate for WAGE\$ participants was 18 percent compared to 31 percent among non-participants.
- Ninety-three percent agreed that the supplements provide an incentive to seek additional coursework.
- Twenty-one percent of program participants moved up an education level during the 2009–2010 program year.
- Ninety-nine percent of participants in the WAGE\$ program were women.
- Seventy-eight percent of participants earned less than \$12.00 per hour at the start of the program.

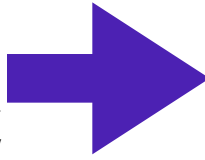


Positive Outcome Examples continued...

Program

California Compensation and Retention Encourage Stability (CARES) and WAGES initiatives

The purpose is to provide family and center-based child care workers with monetary compensation for improving their education and training qualifications.



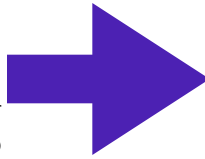
Outcomes

- The program is “significantly improving the retention rates and education level of current child care workers, and also paving the way for future professionals by increasing the interest in the field and possibly leading to a more diverse and qualified applicant pool”.
- Participants were more than twice as likely to be working in the same workplace over a 2-year period than nonparticipants were.

Program

Washington State’s Early Childhood Education Career and Wage Ladder Program

Offers incremental wage increases for increased experience, education and/or job responsibility.



Outcomes

- Increased compensation and educational attainment were related to increased retention rates among child care workers.
- Employee retention at centers offering the program was 21% higher than comparison centers.
- Educational attainment and staff wages were significantly higher in centers offering the program as compared to those that did not.
- Staff in Career Ladder centers remained in their positions significantly longer than at comparison programs.
- Newly hired staff had significantly higher levels of education than new staff at comparison centers.
- 88% of directors at centers offering the program believed the quality of teaching and care had improved and 92% felt that the program increased staff professionalism and morale.

High quality child care is characterized by a well-trained and well-compensated staff, small teacher-to-child ratios, a safe and healthy environment, and continuity of the caregiver.

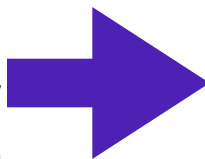
Low wages lead to a high rate of turnover and a workforce that is undereducated and inexperienced, decreasing the quality of child care programs.



Program

Illinois Great START(Strategy to Attract and Retain Teachers):

This program was created to offer monetary incentives to child care providers who work in full-time licensed child care programs in Illinois, and who exceed minimum education requirements for their position.



Outcomes

- By year 9, the annual turnover rate among participants is 12% compared to 30% for non-participants.
- Ninety percent of participants indicated that Great START made them want to stay in their current position.
- Over 80% of center directors interviewed reported Great START made it easier to retain staff and Great START improved staff morale.
- For those considering leaving their jobs, prior to participation in the 2003 Great START project, 60 percent indicated salary as the primary reason. After participation in the program that number fell to 24 percent.

Child Care Provider Turn Over in Juneau

"The biggest challenge is the wages," explained Adam Hendren of Spunky Sprouts--a Juneau center that serves 100 local families--when asked about child care staff retention in Juneau. "Quality employees end up moving into the school system or out into other fields to earn more money." A recent example comes from the Puddle Jumpers Development Learning Center, which just lost a staff member to a tourism sector job that will pay \$4 more per hour. The average salary for an elementary school teacher in Juneau is more than double that of a child care worker, and includes benefits and a summer break.

The current turnover rate for child care workers in Juneau is 79% annually at Juneau's child care centers. According to Discovery Preschool director Blue Shibler, "Staff turnover has a detrimental impact on children because it hinders their ability to make secure attachments to their caregivers. It also consumes valuable administrative time as it takes approximately 24 office hours to orient and process the paperwork for each new staff member. In addition to the administrative hours, the cost of hiring a new staff member includes \$75 for first aid and CPR training, \$30 for fingerprinting, \$25 for the background check, \$10 for a food handler's card and \$100 for the mandatory early childhood training." (Total = \$240 per new hire.)

The 2010 wages for Juneau child care teaching staff are low in comparison to wages in other sectors. Only 14 of 222 occupations reported by the Bureau of Labor Statistics have lower average wages than Juneau child

care workers. In 2010, local child care workers earned on average \$20,158 per year, but starting wages are even lower (ADOL, BLS 2010). To put this in a cost of living perspective, in order to afford the Fair Market Rent for a two-bedroom apartment in Juneau, a household must earn at least \$48,880. The low compensation received by Juneau child care workers, combined with the high cost of living, contributes to high turnover rates.

Not all Juneau child care centers are reporting problems. The Juneau Christian Daycare center director Deenie Rose credits the faith-based positive community culture of the center's staff, along with higher wages, for keeping turnover at that establishment low. However this center is the exception. The other seven centers in Juneau combined have a 92% annual turnover rate. (Turnover for this report was calculated by determining the number of W2s filed in 2010, subtracting the average staffing level, and dividing by the average number of staff).

The cost of living not only effects child care workers, but also the parents of young children. In 2009, more than three-quarters of Juneau parents with children under six work outside the home (76% compared to 63% nationally) presumably because of high local living costs. This in turn has created a high demand locally for quality affordable child care that the community does not always have the capacity to provide. Increasing compensation and provider education levels are directly linked to improving provider retention and child care quality.



Three factors are positively associated with teacher quality:

- Compensation
- Participation in professional development
- Stability

Compensation appears to be the strongest predictor of classroom quality in child care centers.

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