

FACT SHEET

Report on Salary Levels and Their Impact on Quality of Care for Child Care Workers

House Resolution 472 calls on the LB&FC to update its 1989 study on salaries paid to child care workers in licensed child day care programs and the impact such salaries have on quality of care. Questionnaires were sent to a 50% random sample of licensed child day care centers and group homes, with a 44% return rate. Data was collected on 6,450 center-based teachers, assistant teachers, and aides and 241 group home supervisors and assistants. Eighty percent of the centers reported participating in the Department of Public Welfare's subsidized day care program; on average, 22% of the children in these centers participated in the DPW subsidy program.

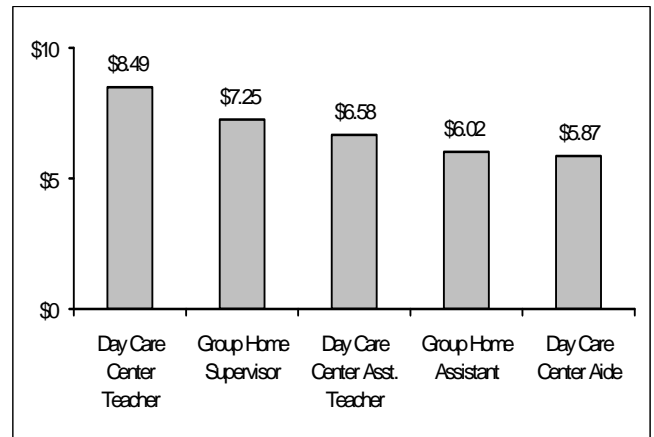
Findings:

Average salaries at child day care centers ranged from \$5.87/hr for aides (\$11,427 annually) to \$8.49/hr for teachers (\$16,556 annually). Most (59%) center teachers earn less than the 1998 federal poverty guidelines for a family of four (\$16,450). For assistant teachers, 68% earned less than \$7.00 per hour, which places them below the federal poverty guidelines for a family of three (\$13,650 annually).

Average wages for center teachers increased by about 39% since mid-1988, from \$6.12/hr to \$8.49/hr. This closely parallels the change in the Consumer Price Index, which increased 37% between Sept. 1988 and Sept. 1998.

Center teacher salaries are lowest in the state's more rural areas. However, relative to what other workers in their region earn, teachers in the Pittsburgh area are the least well paid in the state, earning only 50% of the average earnings of other workers in that region.

Child care workers in for-profit centers earn less than similar workers in nonprofit centers. Teachers in nonprofit centers, for example, earned an average of \$8.73/hr compared to \$7.98/hr for teachers in for-profit centers. Some of this difference may be due to length of service, with teachers in nonprofit centers having an average tenure of 55 months compared to 42 months for teachers in for-profit centers.



Employee benefits are modest, with only 59% of responding day care centers reporting they offer any type of employee health care benefits. Only 31% offer any type of family health care benefits. Although salaries and benefits are low, educational requirements for child care workers are high, with 67% of center teachers having a bachelor's or master's degree and an additional 15% having an associate degree.

Turnover rates for teachers, assistant teachers, and aides were 31%, 34%, and 51%, respectively. Turnover rates have changed little since 1988, when the rates were 37%, 31%, and 47%, respectively. Turnover rates were highest in for-profit centers: 36% compared to 30% in independent nonprofit centers and 23% in church-related nonprofits. There was no statistically significant correlation between teacher salaries and turnover rates. Other studies also typically find that salaries are only one of many factors affecting employee turnover.

Suggestions day care centers made to improve the compensation package for child care workers include:

- **Subsidize salaries and/or benefits.** The report discusses a North Carolina program, called W.A.G.E.\$, which provides annual supplements of up to \$3,000 for child care teachers with appropriate college degrees.
- **Increase the DPW subsidy paid to providers.** In January 1999, DPW increased by 3 percent the ceiling which it uses to calculate the subsidy it pays providers. This was the first such increase since 1994.
- **Increase the loan forgiveness program.** The Commonwealth's loan forgiveness program for child care professionals is severely underfunded. Only about 10% of eligible candidates benefit from this program. The program received no appropriation for the upcoming fiscal year.