

# Early Care and Education in Wisconsin: Challenges and Opportunities

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# Early Care and Education

- High-quality and affordable early care and education (ECE) promotes:
  - Children's development
  - Parents' employment
  - The U.S. economy

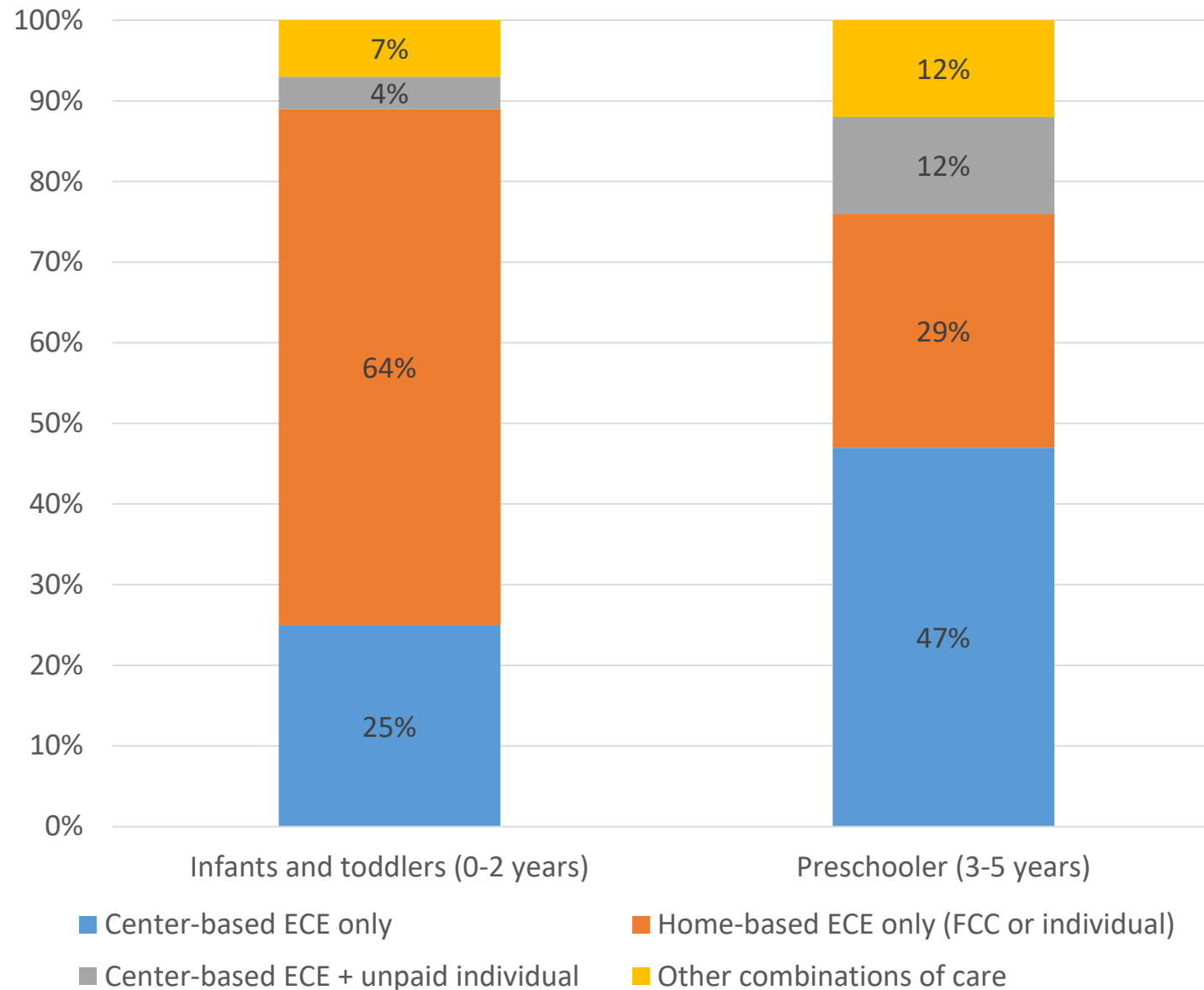
# What is early care and education (ECE)?

- Early care and education includes:
  - **Center-based care sector**, including private centers, public pre-k, and Head Start
  - **Family child care** providers licensed to provide care in their home
  - **Individual non-relative** providers, like nannies
  - **Relatives**, paid or unpaid
- 50% of infants and toddlers and 63% of 3-5-year-olds participate in regular ECE



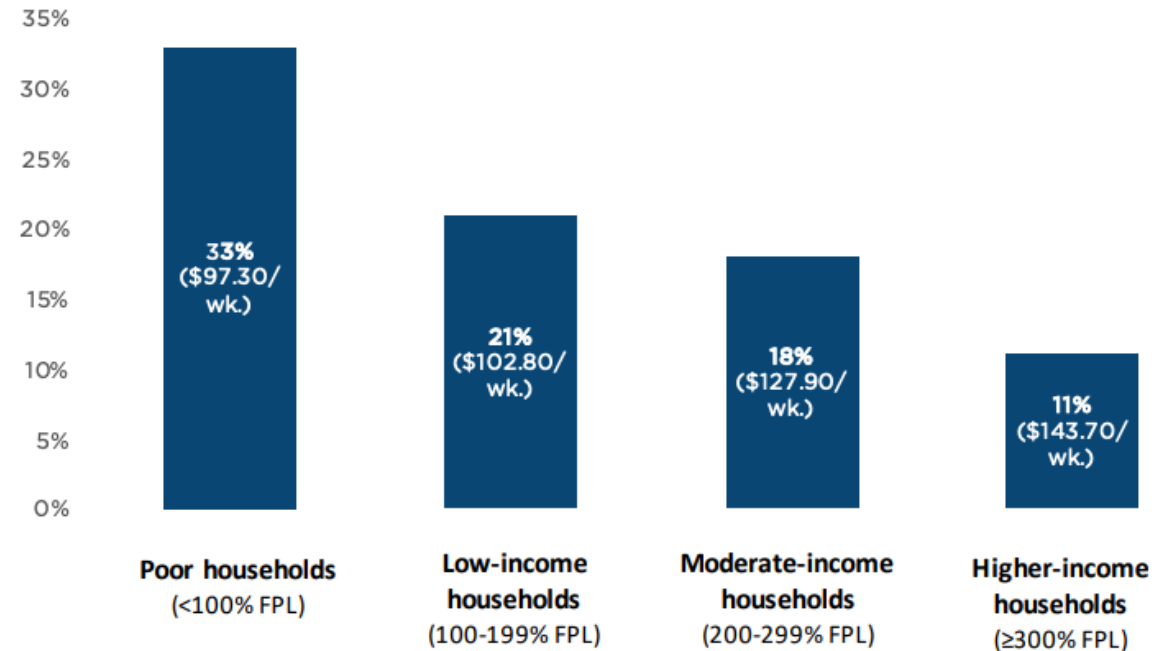
Home-based  
care sector

# 0-5-year-old's participation in early care and education (ECE)



ECE is a large budget item for families

**Figure 1.** Proportion of Weekly Household Income Spent on Regular Nonparental Care for all Children Under Age 13, by Household Income Level



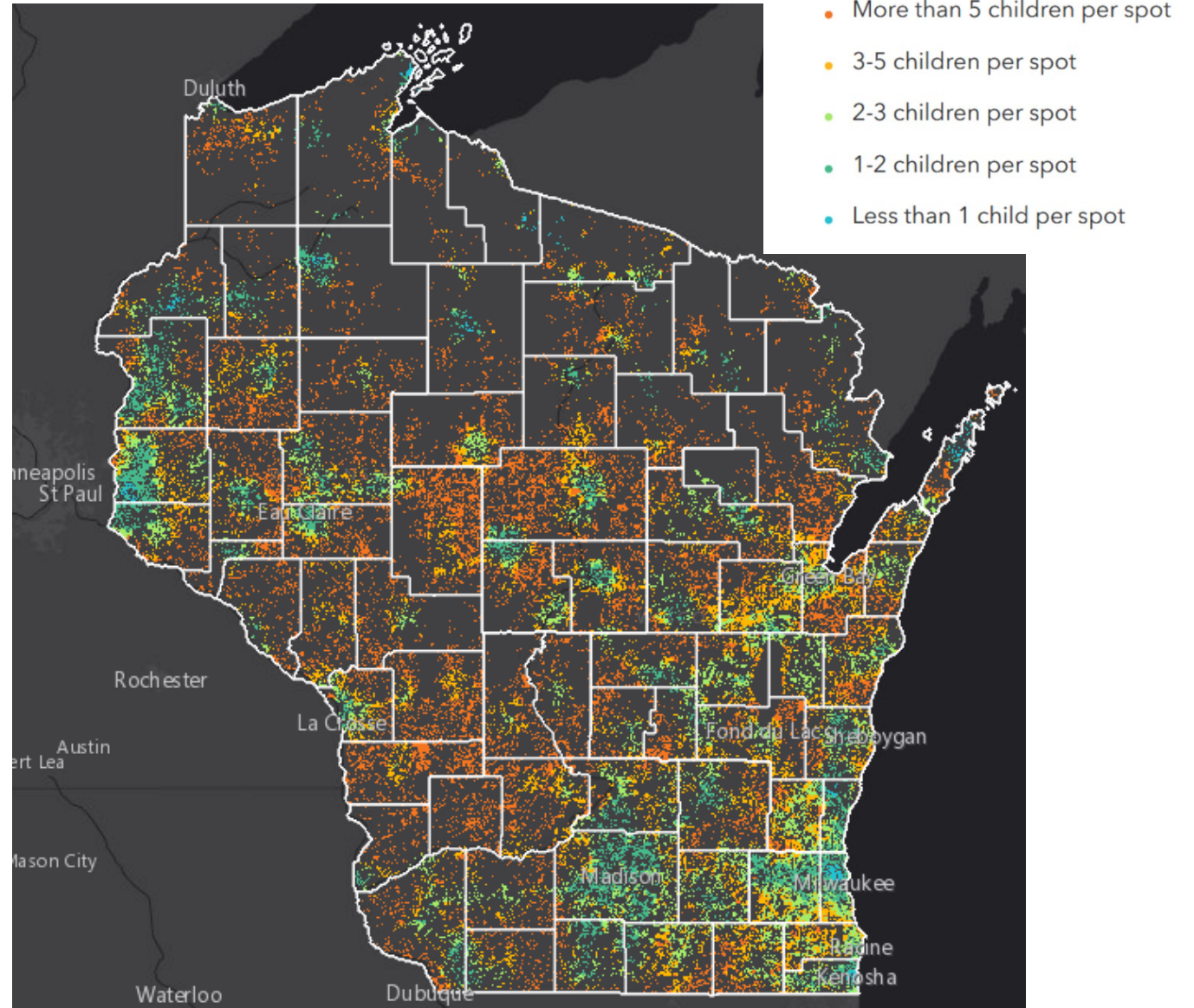
*Among households with children under age 13 that paid for regular nonparental care, poor households spent a larger percentage of their income on care, compared to higher-income households.*

Source: NSECE Project Team, 2016. Tables 21.1-21.4 (Household-Level Estimates of Weekly Cost and Cost Burden for Regular ECE, by Household Poverty Ratio).

Source: Madill, Forry, & Halle, 2018

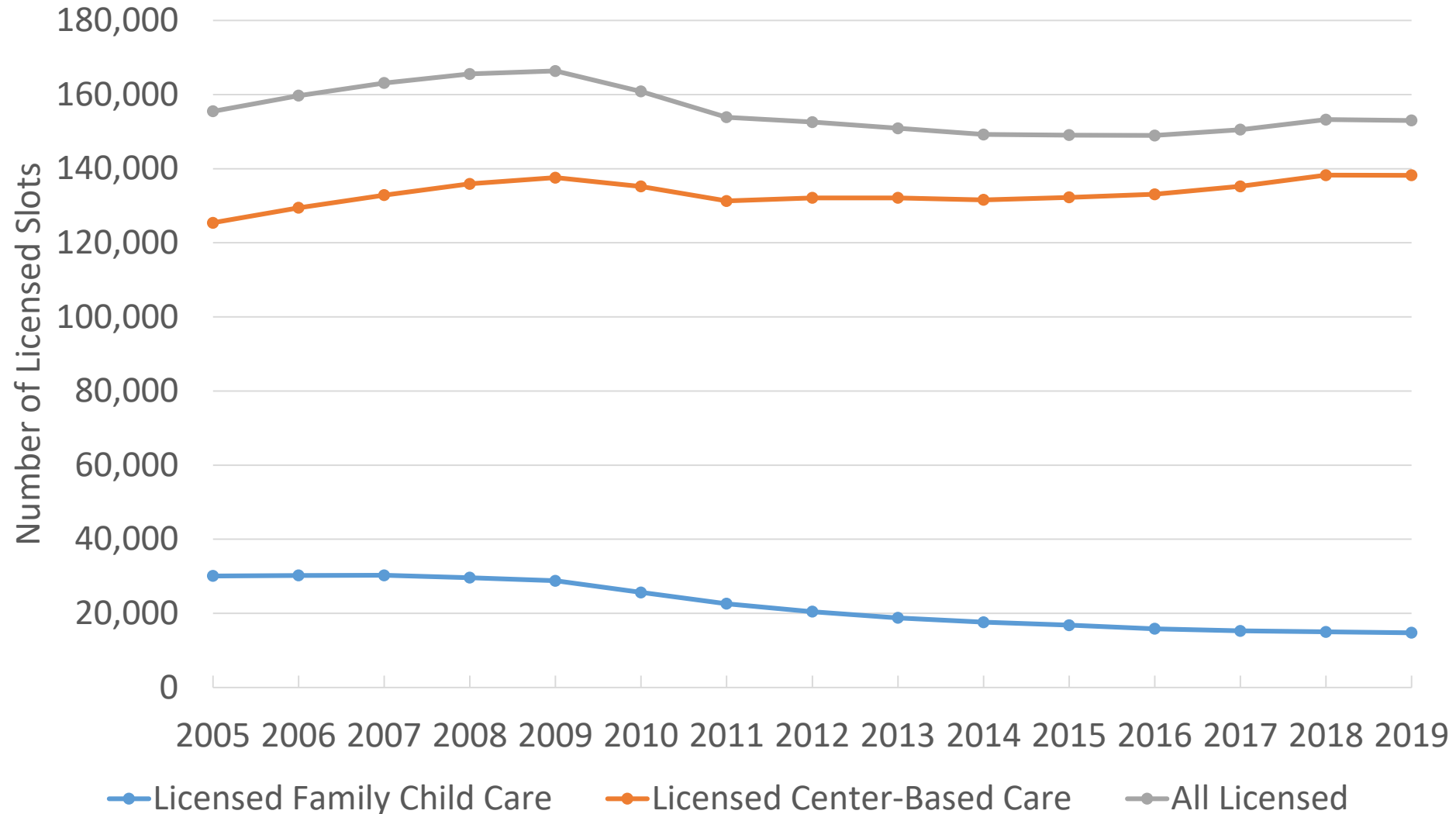
# Access to ECE in WI

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Source: University of Wisconsin-Madison Applied Population Lab, 2020

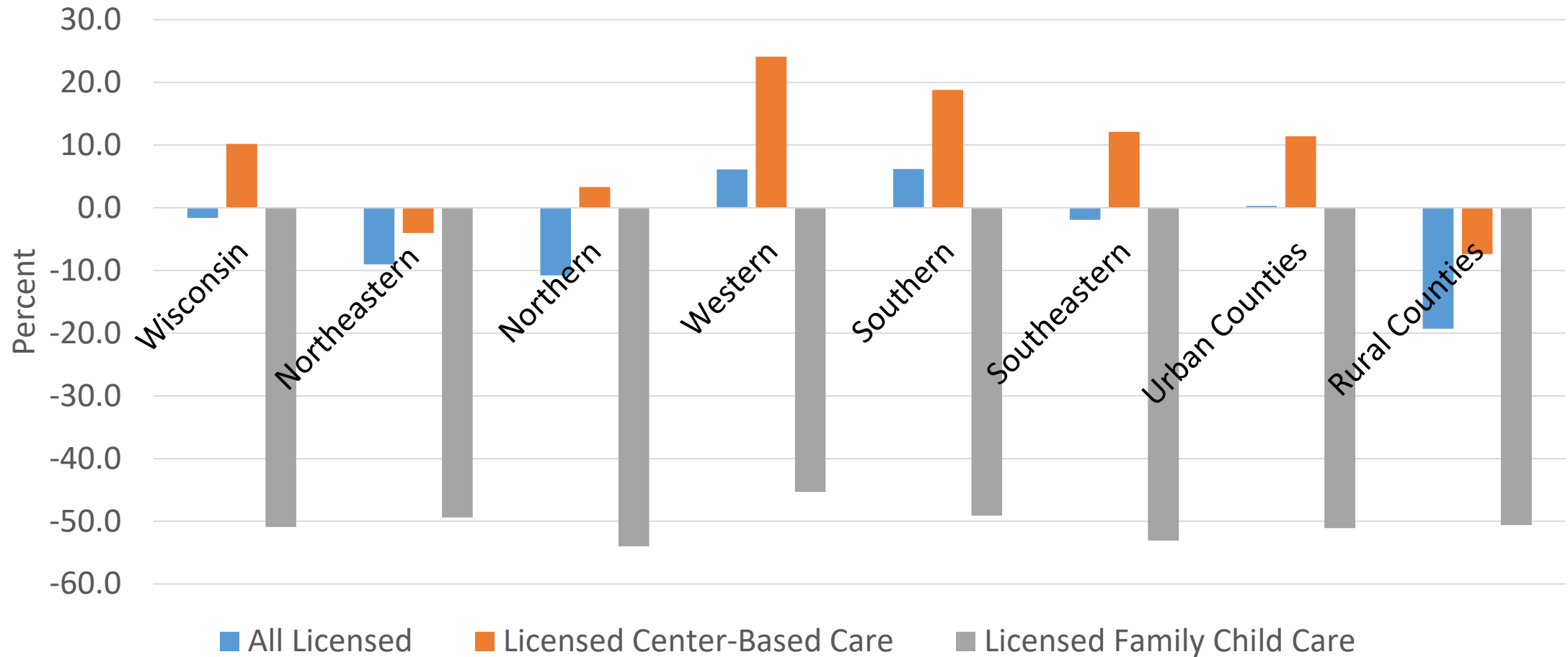
# Trends in Licensed ECE Supply in WI, 2005-2019



Source: Claessens, Magnuson, & Pilarz, 2020

# Changes in Licensed ECE Supply in WI, 2005-2019

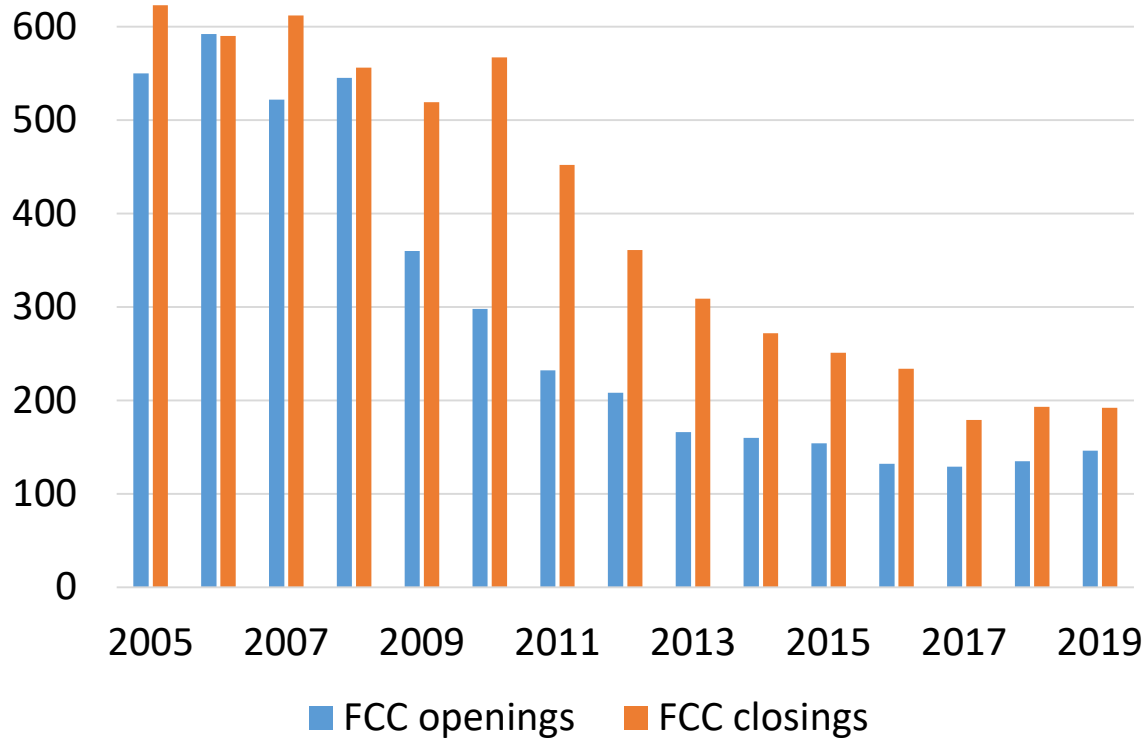
Percent Change in Licensed Capacity 2005-2019



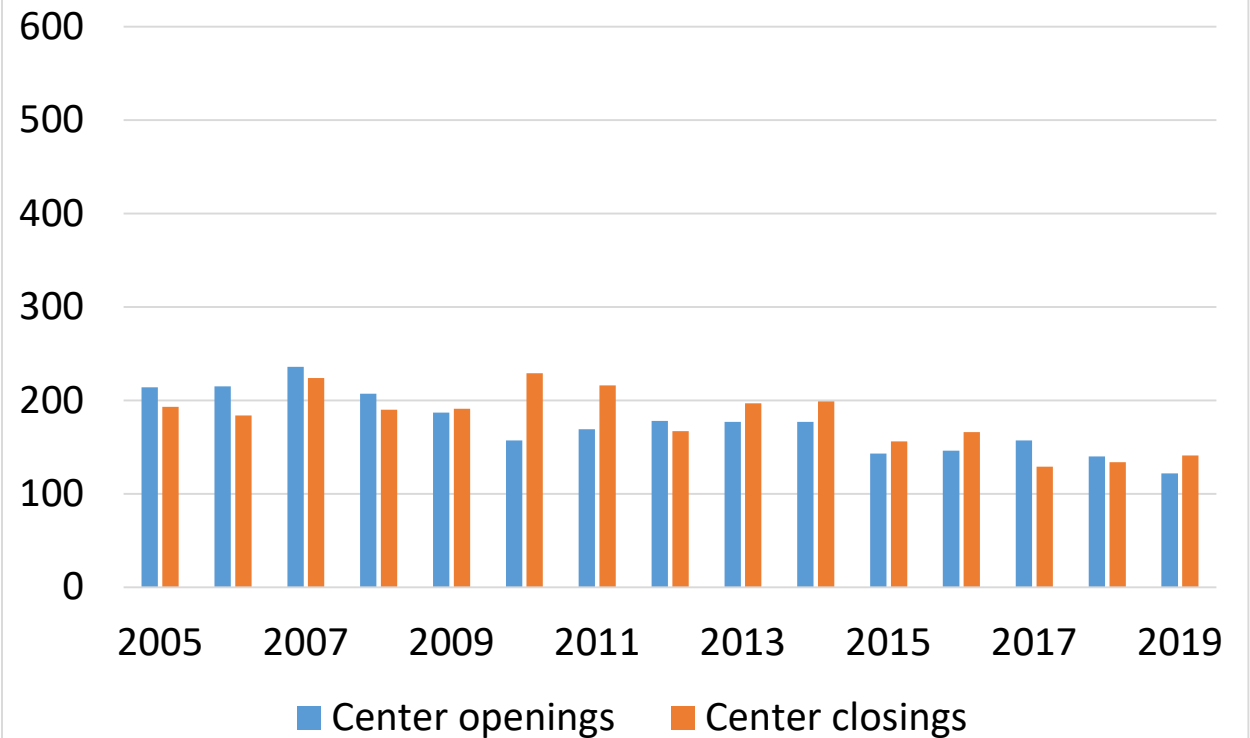


# Decline in licensed FCC driven by more providers closing than opening

Licensed FCC Provider Openings and Closings



Licensed Child Care Center Openings and Closings



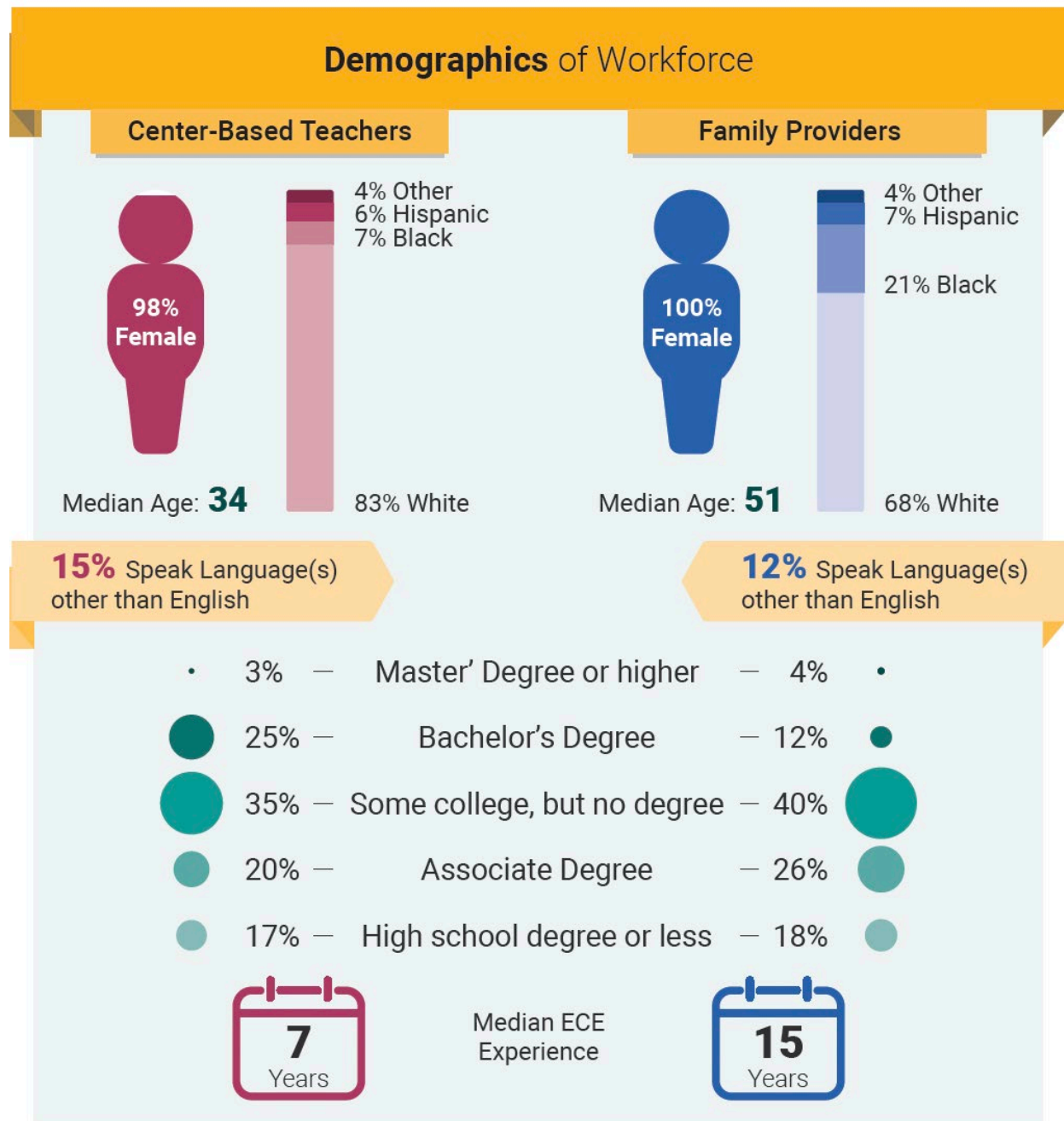
# What are the implications of these trends?

- Access to licensed ECE has declined in rural counties and in the northern and northeastern parts of the state
- Large decline in licensed family child care most likely impacts:
  - Families with infants and toddlers
  - Families with lower incomes
  - Families in which parents work nonstandard hours
  - Families of color and immigrant families
  - Families living in more rural areas
- Relative stability in center-based sector masks instability within centers in terms of teacher turnover

What are  
the  
explanations  
of these  
trends?

- We're working on it!
- Several factors may be at play:
  - Aging population
  - Increase in cost and burden of providing care
  - Decline in value of subsidy reimbursement rates and low wages
- What we do know...

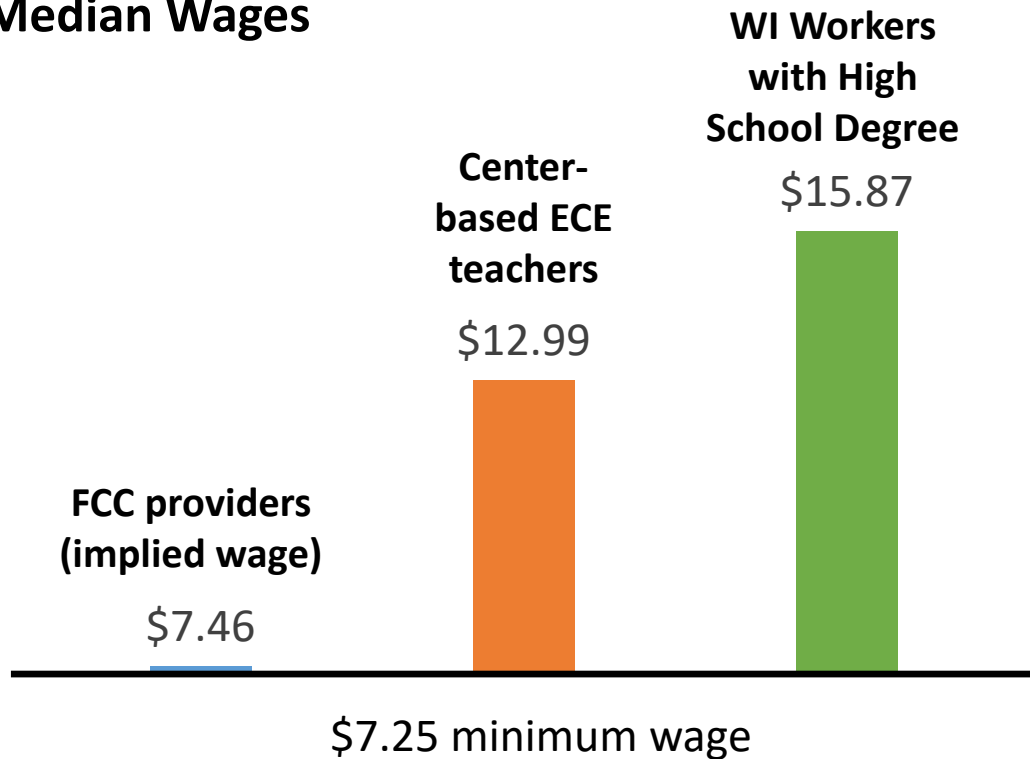
# ECE Workforce in WI in 2020-2021



Sources: Awkward-Rich, Jenkins, & Dresser, 2021; Pilarz et al., 2021; Wisconsin Department of Children and Families, 2021

# Low wages and limited benefits

## Median Wages



 27% of ECE teachers and 20% of family providers report food insecurity

## Benefits



**1 in 5** Center-based teachers receive health insurance through their employer

**12%** have no health insurance

**53%** of ECE programs have a retirement plan with an employer contribution



**1 in 4** Family providers purchase their own health insurance

**8%** have no health insurance

**23%** of family providers are enrolled in a retirement plan



# Dissatisfaction with ECE field and job

ECE workers' plans to leave the field within the next two years:

- 18% of family child care providers
- 28% of ECE teachers
- Additional 20% plan to leave the field within 5 years

Most common reason for wanting to leave the field (other than retirement) was to find a job with better compensation or more opportunity for advancement

28% of ECE teachers had looked for a new job within past 6 months

Why are ECE workers' wages so low if care is unaffordable for families?

### Hypothetical Infant/Toddler Center-Based Classroom in Wisconsin

	<u>Total Cost</u>	<u>Annual Cost per Child</u>	<u>Monthly Cost per Child</u>
Annual wages for 2.5 Teachers (\$12.99)	\$67,548	\$8,444	\$704
Annual expenses on administration, rent, maintenance, materials, food, and benefits	\$28,949	\$3,618	\$302
<b>Annual classroom costs</b>	<b>\$96,497</b>	<b>\$12,062</b>	<b>\$1,005</b>

\*Classroom with 8 children and 1:4 child-to-teacher ratio that is open for 10 hours per day

- Nationally, families pay about \$10,130 annually for infant care
- In Wisconsin, prices for infant care range across counties from about \$9000-\$14,000

# Summary of Challenges

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Geographic proximity to ECE varies widely across communities, but access tends to be better in more urban areas

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Licensed ECE supply has been fairly stable over time, but the number of licensed FCC providers has greatly declined

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ECE workforce is experienced, educated, and committed to the profession but experiences low compensation and challenging working conditions

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Turnover within ECE field and within programs is likely substantial

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Threatens ECE providers' ability to provide high-quality care, parents' ability to work, and children's development

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# Opportunities for Supporting ECE Sector

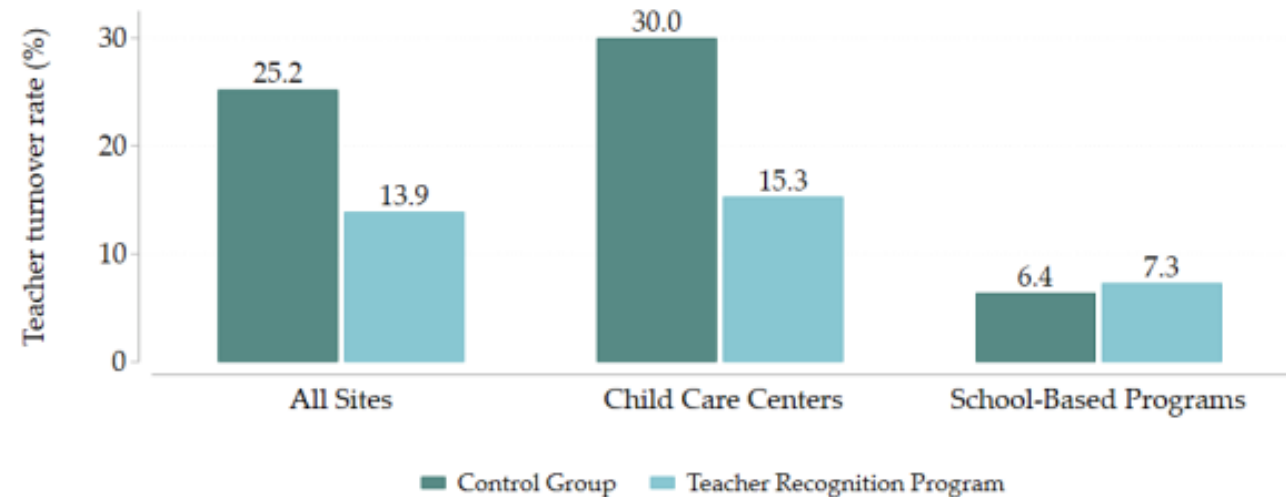
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# Financial Incentives Reduce Teacher Turnover

- Virginia's Teacher Recognition Program paid ECE teachers \$1500 incentive to remain in their program for 8-month period
- Turnover declined by 50%
- The payments helped teachers:
  - Feel appreciated
  - Reduce their financial burden
- Likely need longer-term investments to sustain gains

Figure 2. Program impacts, overall and by ECE sector.



Source: Bassok, Doromal, Michie, & Wong (2021)

# Reduce Barriers to Education and Career Advancement



Reward and incentivize credential and degree completion



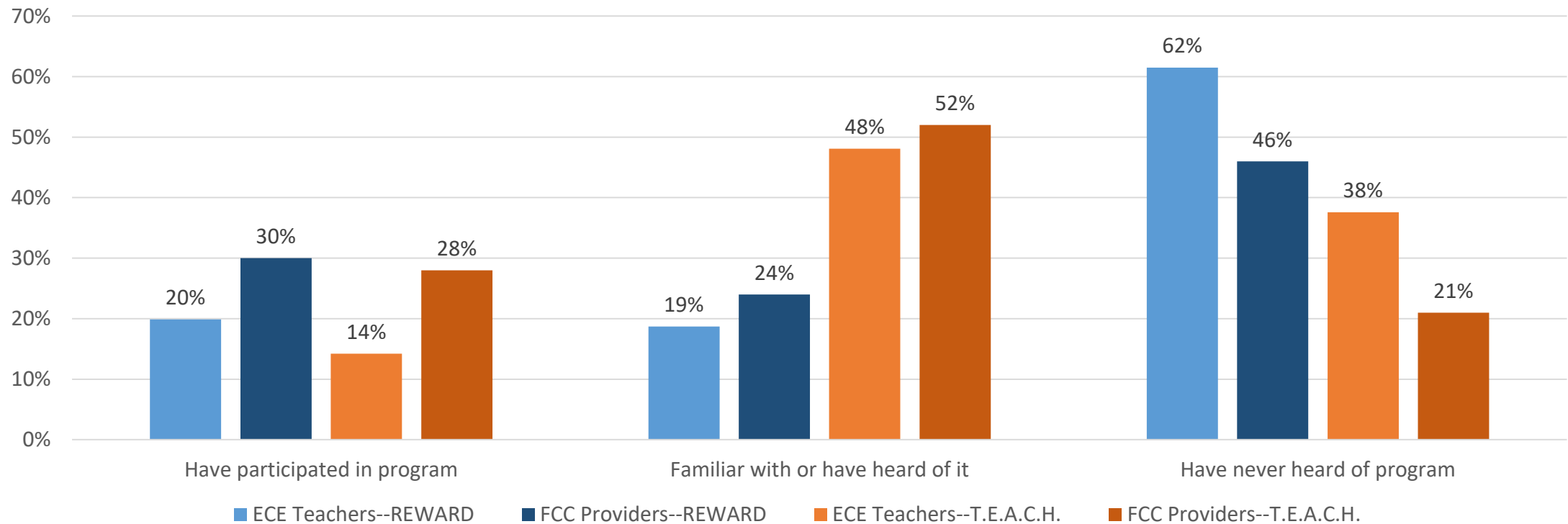
Comprehensive supports for course and degree completion



Special attention to unique challenges of FCC providers

# Raising Awareness of Existing Programs

ECE Teachers' and FCC Providers' Participation in and Familiarity with REWARD and T.E.A.C.H. Programs



Sources: Awkward-Rich, Jenkins, & Dresser, 2021; Pilarz et al., 2021

# Easing Burdens and Increasing Supports for FCC Providers



Recognize strengths of  
FCC programs



Ease administrative  
burdens



Address economic  
challenges



Facilitate peer support  
networks and help  
navigating ECE systems

# Conclusions

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Many of the challenges in ECE sector stem from low compensation and challenging working conditions

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Opportunities to implement evidence-based strategies for increasing ECE workers' compensation and opportunities for career advancement

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Investments in ECE sector ultimately benefit children, working parents, and the economy

Thank you!

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