

THE LOCAL CHILD CARE WAGE INITIATIVE

Building Quality Jobs for the
People who care for Our Kids



Kathy Pusateri has worked at the Red Caboose day care center in Madison since 1987. She is one of 17 teachers at Red Caboose that recently received wage bonuses ranging from \$700 to \$2000 through the Local Child Care Wage Initiative.

City of Madison & Dane County

The Importance of Child Care



Ernestina Gonzales has worked for Red Caboose since 1985.

"Nothing is more important to me than my daughter. I need to know she is well-cared for, learning and developing each day while I'm at work."

Brent Seiling
Parent in Madison

"If we know that we're going to get pay increases, it's more likely that we are going to stay in the industry. The turnover rate won't be quite so high."

Tanya Martinez-Kanaver
Atwood Child Care Worker

Each day, three out of four children under the age of 6 are in some form of child care in Wisconsin. Since more than 60% of mothers return to work before their babies are a year old, nearly all of our children will spend time in child care by the time they start school. Thus, child care is critical to the social, emotional, and intellectual development of babies and toddlers.

There are many barriers to finding and obtaining quality care. Parents do the best they can, given the information they can access and their financial constraints. But the cost of quality care is high — care for a baby may be more than \$12,000 a year in a Madison

center. Even when a family can afford high costs, it is very hard to quickly judge just how good the care is.

The quality of care that children receive is more than a private issue. Regardless of income, all kids are hurt by poor quality care. Unfortunately, however, low-income children are more likely to be in poor-quality programs and, when they are, they tend to suffer more than others from low-quality care. Research shows that early childhood experiences last a lifetime. Years after poor or mediocre child care experiences, children have more difficulties with their school performance and teachers than children who benefited from high quality care. Kids who enter school behind, stay behind.

While many parents worry about the care their children receive, society has generally ignored the issue. By neglecting our young children, we are neglecting our future. For this reason, Madison and Dane County are taking action to improve the quality of care our kids receive. Together, we are making a bold investment in the future of our children through the Local Child Care Wage Initiative.

Local Child Care Wage Initiative at a Glance

Annual Cost (Pilot)	<ul style="list-style-type: none"> • \$250,000
Source of Funds	<ul style="list-style-type: none"> • A portion of Federal Child Development Grants received by the City of Madison and Dane County.
Purpose	<ul style="list-style-type: none"> • Improve child care quality, especially for low-income children, by increasing the earnings of workers in the industry. • Provide an incentive for centers and in-home providers to undertake concrete steps to improve their work environment.
Recipients	<ul style="list-style-type: none"> • 24 child care centers with a total of 150 full-time workers, and 45 in-home providers with a total of 52 full-time providers. • A total of 202 full-time workers will receive bonuses.
Effect on Industry	<ul style="list-style-type: none"> • Pilot phase covers approximately one-tenth of the area's full-time caregivers.
Center and Home Provider Eligibility	<ul style="list-style-type: none"> • All participating centers are accredited, or in the accreditation process, and at least 10 percent of their kids are low-income. • All participating in-home providers are licensed or certified, or in the process of becoming licensed or certified, and at least 10 percent of their kids are low-income.
Requirements of Initiative Centers and Home Providers	<ul style="list-style-type: none"> • Distribute Initiative subsidies directly to caregivers. • Notify the pilot funders of relevant staffing changes. • Participate in trainings and take concrete steps to improve the work environment. • Help promote the Initiative to ensure its future viability and expansion. • Participate in the Initiative evaluation.
Benefits	<ul style="list-style-type: none"> • Annual earnings bonus of \$750-\$2000, increasing with the training of the worker. • Payments to child care workers provide incentives for training and education by giving higher bonuses for Associate's and Bachelor's Degrees.
Worker Eligibility for Bonuses	<ul style="list-style-type: none"> • All full-time workers with at least 6 months of tenure at the center or in-home provider.
Requirements of Initiative Participants	<ul style="list-style-type: none"> • The Center on Wisconsin Strategy, UW-Madison will study the effect of the Initiative on quality of care, turnover, and workers' willingness to stay in the industry. • Results will be released in a series of research briefs.

The Child Care Challenge

Hard Jobs & Low Wages

“There are a lot of demands on the teachers: to be teachers and also to know how to be safe. When they don’t earn that much money, teachers kind of look around and think, ‘Well, I can find another job that isn’t as demanding.’”

Vic McMurray
Bridges Child Care

“The Initiative is very exciting to us because it represents meaningful public recognition of the important service child care teachers provide to the community.”

Diane Gallagher
Wisconsin Child Care Union, AFSCME Council 40

In the U.S., many early childhood teachers earn less than half of an entry-level school teacher’s salary. In fact, most child care workers earn less than bus drivers, parking attendants, or garbage collectors. Nationally, about 70% of the child care work force earns poverty level wages.

Starting wages are low, but even after years of experience, early childhood teachers rarely earn much more than \$10.00 per hour. Time on the job rarely pays off for staff, directors, and in-home providers in the field.

Quite simply, high job demands coupled with low pay, prospects of minimal pay increases, and poor benefits, leave little incentive for good workers to stay in the industry. What happens then? Teachers leave the field. Madison and Dane County child care centers suffer from severe staffing shortages. One in three caregivers leaves child care centers each year, and at some centers the turnover rate is even higher.

That’s devastating for kids as their relationships with caregivers are broken over and over again. Instability is tragic because the teacher/child bond is a key link for the cognitive, social, and emotional learning and growth of our children.

Consistent, sensitive, well-trained, and well compensated caregivers are crucial to quality care. Studies demonstrate that low wages result in less skilled staff, which means poorer quality care. The challenge in child care is to make work pay, otherwise, our children will pay in the long run.

The Local Child Care Challenge

	Median Pay	Annual Income (full time)
Lead Teachers	\$9.25	\$19,240
Teachers	8.30	17,264
Assistant Teachers	7.35	15,288

Average turnover

35%

(In an average child care center, one in three staff leaves each year.)

A Profile of the Local Child Care Wage Initiative

Facilities in the Initiative

In total, 24 child care centers and 45 in-home providers throughout Madison and Dane County are participating in the Initiative.

Twenty-two of the selected centers are in Madison, and the remaining two centers are in Verona and Mount Horeb. Twenty-seven participating homes are in Madison, and 17 homes are spread throughout Dane County in Sun Prairie, Stoughton, Mount Horeb, Windsor, Fitchburg, Brooklyn, Mazomanie, and DeForest.

The diverse size of the 69 centers and homes participating in the Initiative mirrors the diversity of the industry. The Initiative runs from a single in-home provider caring for three kids, to a small center with two staff caring for eight babies, to a center with more than a dozen staff caring for nearly 150 children.

Child Care Workers and Directors in the Initiative

A total of 202 full-time (30+ hours per week) child care workers, directors, and in-home providers work at the centers and homes that are participating in the Local Child Care Wage Initiative. That's roughly one-tenth of the full-time workers who provide care for kids in Dane County.

Some of these workers have just started in the industry and have been on the job for six months. Some have received Associate's Degrees in early childhood education, and a substantial number of workers have Bachelor's Degrees in the field as well. All of these workers receive bonuses through the Initiative. Because the bonus is directly related to their level of education, all of the workers are encouraged to continue their formal training in the industry.

Babies and Children in the Initiative

In the last year, participating centers provided child care to about 1,900 children and in-home providers provided care to about 450 children. The two-year Initiative will benefit thousands of our kids.



Cheryl Heiman has cared for children at Red Caboose since 1974. Cheryl's daughter was a student at Red Caboose years ago, and works there now.

Quality jobs for workers means quality care for kids

The key to high quality child care is a warm, sensitive and responsive relationship between caregiver and child. Maintaining this close relationship requires consistency in staff. Low staff turnover and low staff-to-child ratios are very important for high quality care for babies and toddlers.

High quality care also requires caregivers that are qualified and trained. Education and experience equip child care workers with a critical understanding of how to create safe and stimulating environments. Such environments help to prepare our kids to do well in school.

The quality of care that kids receive depends on the quality of the center or home environment. And the quality of this environment will improve as staff feel respected, competent, and rewarded — because when staff feel respected and rewarded they tend to stay in the field and continue their relationships with our kids. Quite simply, the quality of child care has everything to do with the quality of the jobs that teachers have.

Study after study shows that low wages mean a less-skilled staff and poorer quality child care. One recent study on child care centers found that “quality of care is related to staff education,” and that “teacher wages, education and specialized training were the most important characteristics” in determining the quality. A 1997 study of child care centers also confirmed that wages and the rates of staff turnover directly affect quality of care. In fact, a 1999 study identified teachers’ wages as one of the most powerful predictors of child care quality.

All of this research points to critical problems for our kids and their future — the quality of services provided by most centers is compromised by low wages, high staff turnover, and less experienced and educated workers. In the City of Madison and Dane County quality of care problems are intensified by severe child care staff shortages.



“Child care workers play a crucial role in our kids’ lives. How well these individuals nurture, care and encourage our kids has a profound impact on how they will grow and develop. It helps shape the adults they will one day become. This initiative is an attempt to recognize the valuable services that child care workers provide.”

Kathleen M. Falk
Dane County Executive

Jackie Russell received her Associate’s Degree last May from MATC and teaches children 7 months to 3 years old at Peg Kelbel’s in-home day care.

The Solution

The Local Child Care Wage Initiative



More than 2,300 children are at centers and homes

"I was devastated to hear that somebody could earn more money tending bar three nights a week than working forty hours a week providing child care to kids."

Sue Bauman
City of Madison Mayor

The Initiative is a cutting-edge pilot program intended to improve the quality of care received by kids in the region. Based on research that links the quality of child care with the quality of jobs for child care workers, the two year compensation pilot will provide wage bonuses for workers, directors, and in-home providers at selected centers and homes.

How does the Local Child Care Wage Initiative build quality care for kids?

The Initiative builds quality of care for kids by improving the quality of jobs for workers. Funds for the Initiative go directly to caregivers' pockets in order to provide incentives for workers to stay in their jobs and to seek further education.

How will we know if this was a good investment?

The following data will be measured in the Initiative evaluation, and indicate whether or not the Initiative was a good investment:

- changes in child care quality in participating organizations,
- changes in turnover of child care staff, and
- changes in commitment of workers to the child care industry.

What would it cost to expand this project to cover the entire industry?

The Local Child Care Wage Initiative covers only one-tenth of the full-time workers at centers and homes in Dane County. Covering all full-time child care workers in Dane County would cost around \$2.5 million annually. That may well be a bargain, compared to the long-term costs of poor quality care.

Where do we go from here?

The Wage Initiative seeks to foster a skilled and stable child care workforce through compensation incentives in order to promote high quality child care environments. If the Initiative proves successful, we will work towards expanding the program in order to benefit more and more of our child care workers and to improve quality of care for more and more of our children.

Are there any other places doing something similar?

There are six initiatives across the country, from California to New York that aim to improve the quality of child care by financially supporting child care teachers, directors, and in-home child care providers.

Local Child Care Wage Initiative Planning Partners



Kari Heiman (left), former Red Caboose student, and Olga Ennis, a former W-2 participant, are child care workers at Red Caboose.

CITY OF MADISON'S OFFICE OF COMMUNITY SERVICES

For information on the Initiative.

Dorothy Conniff
P.O. Box 2627
Madison, WI 53701
608-266-6520
dconniff@ci.madison.wi.us

CENTER ON WISCONSIN STRATEGY

For information on the evaluation of the Initiative.

Laura Dresser
1180 Observatory Drive
Madison, WI 53706
608-263-3889
www.cows.org
ldresser@cows.org

AFSCME, COUNCIL 40

For information on the union and the Worthy Wage Task Force.

Diane Gallagher
8033 Excelsior Dr., Suite B
Madison, WI 53717-1903
608-836-4040
www.afscmecouncil40.org
projorg@afscmecouncil40.org

CENTER FOR THE CHILD CARE WORKFORCE

For information on national and local child care issues.

Peggy Haack
305 Clemons
Madison, WI 53704
608-244-3529
Clemons305@aol.com

DANE COUNTY HUMAN SERVICES

For information on the Initiative.

Bill Clingan
1819 Aberg Ave.
Madison, WI 53704
608-242-7468
clingan@co.dane.wi.us

COMMUNITY COORDINATED CHILD CARE INC (4-C)

For research and data on wage and benefits on local child care centers and providers.

George Hagenauer
5 Odana Ct.
Madison, WI 53719
608-271-9181

WISCONSIN EARLY CHILDHOOD ASSOCIATION (WECA)

For information on local child care issues.

Jeanette Paulson
2040 Sherman Ave.
Madison, WI 53704
608-240-9880

Other Resources

The Registry
608-222-1123

Wisconsin Child Care Resource & Referral Network (Wisconsin CCR&R)
608-271-1230

Wisconsin Council for Children & Families
608-284-0580

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