

Better Wages, Better Care: The Link Between Job Quality and Child Care Quality in Dane County

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Summary

The Local Child Care Wage Initiative is an investment in improving the quality of care our children receive. The Wage Initiative seeks to improve the quality of care by improving the quality of caregivers' jobs. We assume that improving the income of caregivers will help keep dedicated workers in the field and reduce turnover of the workforce. All this is based on some very reasonable assumptions: (1) that wages are related to turnover (i.e., higher earnings will help keep people in the field), and (2) that turnover is related to quality of care (i.e., reducing turnover will be good for children). Other studies have shown these correlations but in this report, we investigate the connections between wages, turnover, and care quality in Dane County.

The first section of this report discusses turnover, why turnover is a special problem in the child care field, and reasons that turnover rates in full-day group child care centers are so high. The second section of this report examines empirical evidence of the relationship between turnover, child care quality, and care workers' wages in Dane County. The quality of care is measured by the number of State licensing violations found by licensors of child care from the Bureau of Regulation and Licensing (in the Department of Health and Family Services), on routine licensing check-ups and responses to complaints. These data allow us to investigate the relationship between turnover rates and the number of violations issued to full-day group child care centers.

We find that child care centers with high turnover rates are much more likely to have high numbers of State Licensing violations and low wages relative to centers with low turnover rates in Dane County. The table below makes these correlations quite clear.

Turnover Rates, Violations, and Wages in Dane County Child Care Centers, 1999

Turnover Rate Range	Percent of Centers with State Licensing Violations	Average Number of Violations Per Center	Average Wage for Lead Teachers	Average Wage for Teachers	Average Wage for Assistant Teachers
Centers with High Turnover (50% or more)	58 %	2.27	\$ 8.74	\$ 7.74	\$ 7.08
Centers with Medium Turnover (20 to 49%)	44	1.81	8.97	8.19	6.91
Centers with Low Turnover (0 to 19%)	16	.35	10.65	9.12	7.73

Source: COWS Analysis of Community Coordinated Child Care Inc. (4-C) Data and State Licensing Violation Information.

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What is Turnover?

Turnover in a workforce is defined as the number of employees separating from an employing organization, usually measured per year or per month. Some amount of turnover is common in all industries as workers move into and out of employment for many reasons.

Turnover rates can be deceiving. For example, let's imagine a child care center with a staff of 20 caregivers and a turnover rate of 100 percent. One way this could happen is that all workers on staff stay exactly one year and then leave the center. The center hires 20 over the year, and has 20 staff, so the turnover rate is 100 percent. In this case, every child in the center would see staff change, but only once. At the other extreme, 19 of the staff could remain year after year, while over the course of the year, 20 new people were hired (and left) to fill the remaining open position. This is clearly much more trying on the kids in the room where the staff keep leaving, but all other children at the center have more stability.

As the above examples illustrate, turnover rates do not offer specific information about the retention of employees in particular positions nor about the tenure of departing employees. Despite these two flaws, turnover rates do offer one of the best measures of stability of the workforce available and provide a yardstick for comparison across and within child care centers.

Turnover in the Child Care Workforce

The level of staff turnover in child care is a significant problem. In a recent national child care study, 20 percent of child care centers reported losing at least half of their staff each year. The same study found that the overall turnover rate for centers in the study was 31 percent, with 27 percent of teachers and 39 percent of assistants leaving their jobs in 1997 (Whitebook et al. 1998).

Child care workers have turnover rates that are well above the turnover rates for workers in other industries. Overall, for both child care teachers and assistants in 1988, 55 percent of workers had been at their job for two years or less, a rate of job tenure that was half the national average for all industries (Hartmann and Pearce 1989).

Nationally, there are indications that an increasing number of child care centers are struggling, or even closing, due to insufficient numbers of trained teachers. In a national study of child care centers, 63 percent of child care center directors reported that they did not have a sufficient pool of applicants to replace departing teachers (Whitebook et al. 1998).

Factors That Influence Turnover in Child Care

Turnover in child care staff is a complicated and multifaceted phenomenon. Fundamentally, high turnover rates among child care workers are the result of some combination of low wages, insufficient benefits, the low value assigned to work, and job-related stress.

Wages:

Child care work is all too often characterized by low wages and earnings. Many workers in child care centers and family day care attest to the fact that low salaries make covering basic living expenses difficult. In interviews with child care workers in Dane County in the summer of 2001, almost all of the people interviewed said that getting by on their salary was difficult. Of the workers who expressed interest in leaving the child care field, many named low wages and poor benefits as one, if not the, deciding factor. Marcy Whitebook and her colleagues, in a survey of 158 centers across the U.S., found that child care staff wages were well below self-sufficiency levels (Table 1).

Wages for child care workers, 97 percent of which are women, have been and continue to be low compared to the wages of other female workers (Blau 2001). Table 2 shows that for women with 16 years of education (completion of college), the average hourly wage between 1997 and 1998 for non-household child care workers was \$9.69 while the average wage for other women workers was \$15.49. Obviously, low wages translate into low annual earnings. A woman with a bachelor's degree working in child care earned an average of \$17,295 per year, while women with the same amount of education working in all other industries earned an average of \$36,179 per year (Blau 2001).

Benefits:

In addition to low pay, many child care workers interviewed in Dane County received few benefits, if any. The availability of benefits varies among place of employment, and while most child care workers interviewed did have some form of health insurance, it was generally quite expensive. The lack of access to retirement funds, disability insurance, sick leave, and vacation time were all common complaints about child care work.

Table 1

National Average Wage for Child Care Workers by Position in 1997

(2001 dollars)

	Lowest Paid Assistant	Highest Paid Assistant	Lowest Paid Teacher	Highest Paid Teacher
Average Wage	\$ 6.60	\$ 7.70	\$ 8.25	\$ 11.94

Data Source: Center for the Child Care Workforce.

Respect and Stress:

Lack of respect for their work was a significant concern voiced often during interviews with child care workers. Workers repeatedly reported in interviews that people viewed them as "babysitters," and saw their job as "fun, easy, and intellectually and emotionally undemanding" (Interview Summary 2001).

Table 2

National Average Wage for Women with 16 Years of Education, 1997–98

(2001 dollars)

	Child Care Workers	Other Workers
Hourly Wage	\$ 9.69	\$ 15.49
Annual Earnings	\$ 17,295	\$ 36,179

Data Source: Blau 2001.

Child care can be a source of physical and emotional stress for workers. Stress associated with the physical work environment is a concern, and many child care workers cite health hazards ranging from the physical strain of lifting kids to moving furniture to working with materials and equipment as reasons for leaving the industry (Hartmann and Pearce 1989). In addition to physical stress, emotional stress from the challenge of mediating conflicts between children and ensuring that each child's needs are met can take a toll on child care workers.

Job Opportunities:

Low wages and earnings, insufficient benefits, lack of respect for work, and stress related to the physical work environment all influence high turnover rates in the child care workforce. Better job opportunities in other fields, the possibility of higher wages and higher levels of career mobility, and better work environments coupled with a strong and growing economy in the past decade have increased the rates of turnover in child care across the country.

Turnover and the Quality of Child Care

It is difficult to precisely identify the costs of turnover in child care because costs include both direct dollars (money spent on recruiting and training staff) and indirect costs for staff, children, and parents. Perhaps most importantly, accounting for the costs of turnover in child care is difficult because many of the costs are directly related to the quality of care children receive.

The years that children are in child care are characterized by very rapid physical, cognitive, emotional, and social development. These years are also very important for the formation of children's first attachments to adults other than their parents and attachments to other children (Hayes et al. 1990). Child care workers play an important role in all of these developmental processes.

Continuity and stability of child care workers are critical contributors to the quality of care children receive. Turnover undermines continuity and stability and makes the formation of relationships and attachments between children and caregivers more difficult. Not surprisingly, low turnover rates among child care staff have consistently been found to be associated with higher quality child care (Hayes et al. 1990). Increased levels of continuity and stability in caregivers have been shown to positively affect the degree to which children's needs are fulfilled (Hayes et al. 1990), the amount of time children spend engaged in activities with peers (Howes 1988), the extent to which children explore their physical environments (Anderson et al. 1981), and the extent to which children form relationships with caregivers (Hayes et al. 1990, and Anderson et al. 1981). Caregiver stability and continuity also have been found to decrease the amount of distress experienced by infants when they are transferred from their parents to a caregiver (Anderson et al. 1981).

Turnover in Child Care in Dane County

Turnover data for group child care centers and family day care centers in Dane County are collected annually by surveys administered by Community Coordinated Child Care (4-C). The discussion of turnover rates that follows is for group child care centers alone, because turnover rates for family day care centers, which are typically owned and operated by one person, are often misleading.

4-C calculates turnover for each child care center by dividing the number of child care staff that left the center in a given year by the number of staff at the center at the beginning of the year. Turnover data from 4-C for 1998, 1999, and 2000, for group child care centers reporting turnover data (Table 3) indicate that turnover rates are high in Dane County.

The average overall turnover rates in group child care centers have been and continue to be high in Dane County. Perhaps more important, however, is the distribution of turnover rates at the area's child care centers. Table 4 shows that of the 118 group child care centers reporting turnover data in 1999, 28 percent had high turnover rates (50 percent or more), 41 percent had medium turnover rates (20 to 49 percent), and 31 percent had low turnover rates (0 to 19 percent).

It is common to generalize about turnover in the industry, based on the assumption that all centers, facing tight labor markets and good external opportunities for their workers, will have similar turnover rates. The fact that there is a wide range of turnover rates among full-day group child care centers makes it clear that different centers are doing very different things.

One factor that is an important determinant of turnover rates is non-profit status. Almost 60 percent of low turnover centers, 40 percent of medium turnover centers, and less than 30 percent of high turnover centers are non-profit. There are two factors that contribute to the association between non-profit centers and lower turnover rates. First, non-profit centers are often associated with larger non-profit businesses, such as hospitals and schools, and as a result have more stable and continuous funding. Second, non-profit centers often pay slightly higher wages, which may lead to lower turnover rates.

It is commonly believed that larger centers and newer centers have higher turnover rates. This assumption is in fact not true for Dane County. Centers in the medium turnover rate range are larger than both low and high turnover centers. In addition, the average number of years in business is similar for high (11 years), medium (13.1 years), and low (11.8 years) turnover centers.

Table 3

Turnover Rate for Reporting Group Child Care Centers in Dane County

(Weighted by Number of Centers per Year)

	1998	1999	2000
Average Turnover Rate for Group Centers	34 %	31 %	39 %

Data Source: 4-C.

Table 4

The Range of Turnover in Child Care Centers in Dane County

	Number of Centers	Share of Total
High Turnover Centers (50% or more)	33	28 %
Medium Turnover Centers (20 to 49%)	48	41
Low Turnover Centers (0 to 19%)	37	31

Data Source: COWS Analysis of data from 4-C.

Measuring Quality

Identifying a uniform measure of quality across child care arrangements is often difficult, as variation among centers, staff, children, parents, and investigators or inspectors often produces mixed scores or ratings. For a yardstick of child care quality, we use the number of State licensing violations issued to specific child care centers.

Information about violations for child care centers in Dane County is collected by the State Bureau of Regulation and Licensing. Violations are issued by the State Bureau of Regulation and Licensing to child care centers in response to formal complaints, most often filed by parents, or during routine licensing check-ups. For a complete definition of complaints and violations, see Appendix.

Violations are issued for a wide range of infractions in the child care industry. Common violations include problems with staff qualifications, overcrowding of classrooms, insufficient personal cleanliness and diapering procedures, the presence of physical hazards at a center, improper supervision of children, and inappropriate use of discipline. Evident from this list is the fact that violations cover a large range of behaviors, some more threatening and dangerous than others, although all very important to the experience of children in child care.

Also worth noting is the fact that violations are often clustered in specific child care centers and individual infractions do not often exist in isolation from other problems. For example, overcrowding of classrooms and inappropriate supervision of children are directly related.

Table 5
Characteristics of Full-Day Group Child Care Centers by Turnover Range

Turnover Rate	Average Number of Children Per Center	Percent of Centers that are Non-Profit	Average Number of Years in Business
High (50% or more)	62	27.3 %	11.0
Medium (20 to 49%)	85	38.3	13.1
Low (0 to 19%)	67	58.8	11.8

Data Source: COWS Analysis of data from 4-C.

Turnover, Violations, and Wages

To begin to explore the connection between turnover and violations, this section of this report draws on data from 1999 for group child care centers in Dane County. Data from 1999 was intentionally used in this analysis to eliminate the possibility that the Child Care Wage Initiative may have had an impact on both turnover and the number of violations received by child care centers. Once again it is important to note that data is only used for full-day group child care centers as turnover rates for family day care centers, which typically have only one owner/operator, are misleading in discussions of turnover.

Of the 118 full-day group child care centers reporting turnover data in 1999, 45 had at least one violation while 73 had no violations. There was a large difference between the turnover rate for centers receiving at least one violation compared to the turnover rate for centers that did not receive any violations. As Table 6 shows, in 1999, centers with at least one violation had a turnover rate of 45 percent while centers with no violations had a turnover rate of 29 percent.

There are large differences in the number of centers within each turnover range that received at least one violation. As Table 7 shows, 58 percent of centers with high turnover rates (50 percent or more), 44 percent of centers with medium turnover rates (20 to 49 percent), and only 16 percent of centers with low turnover rates (0 to 19 percent) had at least one violation. In addition to being more likely to have violations, child care centers with higher turnover rates have more violations per center. High turnover centers had an average of 2.27 violations per center, while medium turnover centers had an average of 1.81 violations per center, and low turnover centers had an average of .35 violations per center. Finally, Lead Teachers, Teachers, and Assistant Teachers all earn more money per hour on average in child care centers with low turnover centers than in child care centers with either medium or high turnover rates. For Lead Teachers and Teachers, the differences are progressive, with average wages increasing consistently as the turnover rates decrease. For Assistant Teachers, the average wage is higher in high turnover centers than in medium turnover centers, but both are much lower than the average wage in low turnover centers.

Table 6

Average Turnover Rate for Centers With at Least One Violation and With No Violations, 1999

	Centers with at least one Violation	Centers with no Violations
Average Turnover Rate	45 %	29 %

Data Source: COWS Analysis of data from 4-C.

Table 7

Turnover Rates, Violations, and Wages in Dane County Child Care Centers, 1999

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Source: COWS Analysis of 4-C Data and State Licensing Violation Information.

Wages are perhaps the most crucial element in discussions of turnover in the child care workforce (as shown by evidence collected in interviews with child care workers) and as a result of this fact, wages are also important in discussions of quality in child care. Attempts or proposals designed to reduce turnover rates and improve the quality of child care that do not take seriously the problem of low wages in child care miss a significant part of the reality of the child care industry.

Conclusion

Turnover rates are a serious problem in the child care industry, and Dane County is no exception. High turnover rates, commonly the result of a combination of factors including low wages, insufficient benefits, lack of respect for work, and stress associated with the physical work environment, have negative effects on the quality of care children receive.

To explore the relationship between turnover rates and the quality of child care in Dane County, we created a "quality" metric using the number of State Licensing violations that a child care center received. Using this measure, full-day group child care centers with high turnover rates (50 percent or more) in 1999 were more likely to have at least one violation, had a higher number of average violations per center, and paid lower wages.

These results indicate that there is a relationship between turnover and quality of care in child care centers in Dane County. The fact that there were consistent differences in violations and wages in full-day group child care centers based on turnover rates suggests the need for further investigation and public attention to the problem of turnover in child care centers in Dane County.

Appendix:

The Difference Between Complaints and Violations

Complaints

Complaints can be filed against child care centers of any type by any person or group. The most common source of complaints are parents. Upon receiving a complaint, the State Bureau of Regulation and Licensing investigates. If the investigation determines that the complaint is founded, the offending child care center is then given a violation. Frequently occurring complaints include problems with staff qualifications, overcrowding, personal cleanliness, physical hazards at the center, and supervision of children

Violations

Violations can occur as the result of a follow-up on a complaint or as part of routine bi-annual monitoring visits to licensed child care centers. Common violations include improper record keeping, poor staff qualifications, inflated staff to child ratios, poor cleanliness or diapering procedures, and inappropriate use of discipline.

For more information on complaints and/or violations see: http://www.dhfs.state.wi.us/rl_dcfs/pdf%20docs/gdc_violations.pdf

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