

The Local Child Care Wage Initiative

Investing in our future by investing in quality care for our kids

The Local Child Care Wage Initiative is a two-year pilot program, inaugurated by the City of Madison and Dane County in 2000. Its goal is to improve the quality of child care in the county, by encouraging child care workers to stay in the industry and develop greater skills in the field. It is supported by City and County funds, made available through the federal Child Development Block Grant. COWS is evaluating this important initiative.

Since most parents are now in the labor force, most children can expect to spend time in day care. Whether they interact with lots of kids and teachers in a large facility, or with a single caregiver in a private home, that interaction will affect their early social and psychological development. And these early experiences will influence other measures of progress, like educational performance, later on.

As parents know, it is not easy to find accessible, affordable, high-quality care. To understand why, we have to look at child care work itself. Taking care of kids is enormously demanding and stressful, but child care workers don't get much in return. Nationally, about 70 percent of child care workers earn poverty-level wages. In Dane County, the starting rate for child care teachers is as low as \$5.50 per hour (the average is just \$7.35). Nor is there much chance for advancement; the starting hourly wage for child care center directors in Dane County is as low as \$7 (averaging out at \$12.90).

That means not enough people are willing to work in child care — and even among those who do want child care jobs, turnover is very high. (In Dane County, more than a third of child care workers leave their jobs each year.) And that means overcrowded facilities, less attention to kids, difficulty maintaining high safety and health standards, a lack of consistent relationships that children can count on — in other words, poor-quality care.

Studies have shown a correlation between low wages, high turnover, and low-quality child care. The idea behind the Wage Initiative was to see whether higher wages might reduce turnover rates, improve quality, and encourage child care providers to remain in the field.

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Here's how it worked: After soliciting applications, the city and county selected 69 child care facilities (including both centers and in-home providers) to participate in the program. In these centers and homes, 202 individuals — center directors, center teachers, and in-home providers — received wage bonuses ranging from \$750 to \$2,000 per year. At first, bonus amounts were tied only to education levels. Later, they were adjusted to reward length of service as well.

To evaluate the program, COWS staff gathered and analyzed information from a variety of sources, including interviews with child care providers; quality assessments conducted by experts in child care quality from the Wisconsin Child Care Improvement Project; data gathered by the local child care referral agency, 4-C (Community Coordinated Child Care, Inc.); and surveys of Wage Initiative participants.

What did the findings show? First, the Wage Initiative's very existence had a positive impact on child care workers; many felt more respected and reported higher morale and lower levels of stress. Although it was difficult to precisely determine the Wage Initiative's impact on turnover, participants expressed a strong interest in obtaining further training and staying in the field. Second, by helping to ease financial hardships, the bonuses also made it easier for providers to do their jobs — and do them better. Indeed, child care centers showed a marked improvement in quality. (This was not the case for in-home providers, suggesting the need for future research to identify quality-improvement strategies in those settings.)

The Wage Initiative typifies COWS' "high road" approach to social and economic problems: If we want high-quality outcomes, we need to start with high-quality jobs. If child care workers are treated with respect and paid enough to support themselves and their families, they'll be able to do their jobs well — and keep on doing them over the long haul.

To make this happen will require considerable investment. Neither child care facilities nor parents can handle the burden; they are already stretched too thin. But child care, like education, has become a public need, and that means it is worthy of public funds. Already, the City and County have risen to the occasion by extending the Wage Initiative for another year, with a substantially increased allocation of funds. Our kids — and our futures — are well worth the cost.