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Early Educator Compensation

Findings From the 2020 California Early Care and Education Workforce Study

By Elena Montoya, Lea J.E. Austin, Anna Powell, Yoonjeon Kim, Abby Copeman Petig, and Wanzi Muruvi

Executive Summary

As we enter yet another phase of a pandemic that has highlighted the essential nature of early care and education (ECE) services, California's ECE sector is experiencing dire staffing shortages that are due in part to the low wages of ECE educators. This report draws on findings from the California Early Care and Education Workforce Study to report income and benefits of licensed family child care (FCC) providers and center-based directors, teachers, and assistant teachers. This study is the first comprehensive examination of California's workforce in 15 years.

Despite a growing understanding of the importance of early learning and development and the expansion of quality improvement initiatives during this time, the wages we describe in this report reflect how little has been done to address the economic well-being of educators themselves. Early educators' wages are still low. In fact, we estimate that teachers with bachelor's degrees who work in California child care centers saw a decline in actual wages of 1 to 2.5 percent between 2006 and 2022, despite a 35-percent increase in the state minimum wage over the same period. To better understand variations and inequities in the system, we examine compensation by educator role and education level as well as program type and funding.

The historic undervaluing of care work, the work of women, and the work of people of color in our country (Gould et al., 2021; Austin et al., 2019) and insufficient investment of public resources have converged to make ECE jobs among the worst paid in the United States (McLean et al., 2021). Low wages limit the ability to recruit and retain a qualified ECE workforce, which in turn impacts the ability of parents to access the ECE services they want and need in order to work. Without an investment of public resources to address compensation, these challenges will persist.

Key Findings From the California ECE Workforce Study

Income and Wages

- Small FCC providers (serving up to eight children) reported the lowest wages among the ECE workforce, with an annual income of $16,200-$30,000. Large FCC providers (serving up to 14 children) reported earning $40,000-$56,400, similar to the salaries of center teachers and directors.
- Regardless of program size, FCC providers do not see a bump in income for attaining a bachelor's degree.
- On average, FCC providers holding contracts with the state of California or federally funded Head Start reported higher incomes than those in voucher-subsidized programs or programs without public funding, regardless of program size.

- For child care centers statewide, median hourly wages are $16 per hour for assistant teachers, $19 per hour for teachers, and $26 per hour for directors.
- Center directors and teachers received modest income boosts moving from an associate to a bachelor's degree, while assistant teachers see little or negative impact.
- Across job roles and education levels, the median wages of center-based educators fall short of the national median wage of workers with comparable education in all occupations. The median wage of a center teacher with a bachelor's degree or higher in California is $20 an hour, while workers with a bachelor's degree across occupations earn a median hourly wage of more than $34.
- Throughout California, early educators working in state-contracted centers reported higher wages than those in centers with other funding sources.

Health Coverage, Retirement Benefits, and Paid Time Off

- FCC providers, both small and large, are less likely than center directors or teaching staff to have health coverage. Among FCC providers, the most commonly reported source of insurance coverage was through a spouse, partner, or parent.
- Only about one fifth of small FCC providers and one quarter of large FCC providers reported any retirement savings.
- Less than one half of FCC providers, regardless of program size, reported having paid time off.
- Center directors and teachers working in Head Start or Title 5 programs were more likely to have health insurance (and to access employer-sponsored insurance) than those in voucher-subsidized centers or centers with no public funding. Directors and teachers in centers with no public funding were the least likely to utilize employer-sponsored health insurance.
- About one half of center directors and teachers and about two fifths of assistant teachers reported having retirement savings. Regardless of their role, educators in publicly contracted centers are the most likely to report having retirement savings, while those in voucher-subsidized programs are the least likely.
- The vast majority of center directors, teachers, and assistant teachers reported having paid leave.

Recommendations for Policymakers

Recommendation 1: Ensure that all state policies are made in consultation with early educators.

- Establish practices that center the experiences, intellect, and leadership of early educators.

Recommendation 2: Articulate compensation standards for all educators across ECE program settings.

- Establish a wage floor so that, at a minimum, no one working in a child care classroom or family child care home earns less than the regionally assessed living wage and articulate minimum benefit standards (health insurance, paid leave, retirement).
- Compensation standards for center- and home-based educators should scale up from the floor to account for job role, experience, and education levels, up to parity with similarly qualified TK and elementary school teachers—and compensation should be provided for non-contact hours (i.e., paid preparation/planning time).

Recommendation 3: Develop a methodology to identify the true cost of providing high-quality ECE programs in both center- and home-based settings that includes established compensation standards.

- Use the true cost to set appropriate levels of funding for a publicly funded ECE system, rather than basing funding on market rates.
- Include adjustments for cost of living in the methodology.

Recommendation 4: Establish requirements and dedicate sufficient public funding for all programs to meet wage and benefit standards. Require and monitor adherence to those standards as a condition of funding.

Recommendation 5: Prioritize stable contract-based funding arrangements for home-based providers and centers.

- Contracts should guarantee a base funding amount—accounting for a specific number of publicly funded spots, rather than using volatile enrollment or attendance levels.
- Contracts should specify the portion of funds to be used for compensation.

Recommendation 6: Fund and make publicly available current and longitudinal research on the ECE system and workforce, including compensation.

- Include a plan to require and fund full participation in state workforce data systems for all members of the ECE workforce employed in school-, center-, and home-based child care settings.
- Examine data to identify and remedy wage gaps and pay inequities.
- Report the utilization and impact of funding for compensation and other investments to inform future policies and resource allocation.

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Introduction

As we enter yet another phase of a pandemic that has highlighted the essential nature of early care and education (ECE) services, California's ECE sector is experiencing dire staffing shortages (Center for the Study of Child Care Employment, 2022) due in part to the low wages of ECE providers. As of this writing, California has 7,200 fewer child care slots and 7,000 fewer child care jobs than in February 2020, before the onset of the pandemic (Assembly Budget Committee, 2022; BLS Beta Labs, 2022). Throughout the state, administrators cite compensation as a main barrier to recruiting and retaining staff (Kim et al., 2022).

The low wages and lack of benefits for the California ECE workforce are increasingly recognized and decried (McLean et al., 2021; Gould et al., 2019; Whitebook et al., 2014). But ECE jobs are not just low wage, they are among the worst-paid jobs in the United States. Although early educators provide the foundation for quality ECE programs and are the backbone of the economy, the wages of child care workers rank in the bottom 2 percent of all occupations, averaging $11.65 per hour nationally (McLean et al., 2021). In the State of California, the ECE workforce is largely women of color (Powell, Kim, et al., 2022).

For centuries, care work, the work of women, and the work of people of color have been undervalued in our country (Gould et al., 2021; Austin et al., 2019). This reality, coupled with insufficient public funding and a reliance on parents to shoulder most costs of ECE services, has debilitated the sector. The result is a system in which the vast majority of the workforce does not earn a living wage, with dire consequences for their well-being. Furthermore, this arrangement does not work well for families that struggle to find and afford the care they want and need for their children.

This report draws on findings from the California Early Care and Education Workforce Study to report income and benefits of licensed family child care (FCC) providers and center-based directors, teachers, and assistant teachers. This study is the first comprehensive examination of California's workforce in 15 years. Despite a growing understanding of the importance of early learning and development and the expansion of quality improvement initiatives during this time, little has been done to address the economic well-being of educators themselves. Early educators' wages are still low. In fact, we estimate that teachers with bachelor's degrees working in California child care centers saw a decline in actual wages of 1 to 2.5 percent between 2006 and 2022, despite a 35-percent increase in the minimum wage over the same period. To better understand variations and inequities in the system, we examine compensation by educator role and education level as well as program type and funding. We also provide findings by region, when sample sizes allow (see **Appendix 2** for map of study regions).

Key Findings

Income and Wages

- Small FCC providers (serving up to eight children) reported the lowest wages among the ECE workforce, with an annual income of $16,200-$30,000. Large FCC providers (serving up to 14 children) reported earning $40,000-$56,400, similar to the salaries of center teachers and directors.
- Regardless of program size, FCC providers do not see a bump in income for attaining a bachelor's degree.
- On average, FCC providers holding contracts with the state of California or federally funded Head Start reported higher incomes than those in voucher-subsidized programs or programs without public funding, regardless of program size.
- For child care centers statewide, median hourly wages are $16 per hour for assistant teachers, $19 per hour for teachers, and $26 per hour for directors.
- Center directors and teachers received modest income boosts moving from an associate to a bachelor's degree, while assistant teachers see little or negative impact.
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- Throughout California, early educators working in state-contracted centers reported higher wages than those in centers with other funding sources.

Health Coverage, Retirement Benefits, and Paid Time Off

- FCC providers, both small and large, are less likely than center directors or teaching staff to have health coverage. Among FCC providers, the most commonly reported source of insurance coverage was through a spouse, partner, or parent.
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- Less than one half of FCC providers, regardless of program size, reported having paid time off.

- Center directors and teachers working in Head Start or Title 5 programs were more likely to have health insurance (and to access employer-sponsored insurance) than those in voucher-subsidized centers or centers with no public funding. Directors and teachers in centers with no public funding were the least likely to utilize employer-sponsored health insurance.
- About one half of center directors and teachers and about two fifths of assistant teachers reported having retirement savings. Regardless of their role, educators in publicly contracted centers are the most likely to report having retirement savings, while those in voucher-subsidized programs are the least likely.
- The vast majority of center directors, teachers, and assistant teachers reported having paid leave.

About the Data

From October through December 2020, the Center for the Study of Child Care Employment (CSCCE) surveyed representative samples of approximately 2,000 center administrators and 3,000 home-based family child care (FCC) providers, as well as non-probability samples of about 2,500 center-based teachers and assistant teachers and 280 transitional kindergarten (TK) teachers through the 2020 California Early Care and Education Workforce Study.

In this report, we look at the compensation of FCC providers, center directors, and center-based teaching staff. Published findings on TK teacher compensation may be found in our data snapshot, Double or Nothing: Potential TK Wages for California's Early Educators (Powell, Montoya, et al., 2022).

We primarily focus on self-reported wage, income, and benefits data. We also collected information from center directors about the compensation of teaching staff in their programs. Director-reported teacher wage data for selected variables can be found in **Appendix 3**.

We report annual income for home- and center-based educators and hourly wages for center-based staff. We also present data on health insurance, retirement, and paid time off. We examine compensation data by program type, program funding, job role, and education. All analyses were weighted to reflect population-level distributions for region and to adjust for unequal response rates.

We present data for large FCC homes, which are licensed to care for a maximum of 14 children with the aid of an assistant, and for small FCC homes, which are licensed to care for up to eight children. For centers, we present data for the roles of director, teacher, and assistant teacher. By "teachers" we mean persons in charge of a group or classroom of children who often have supervisory responsibilities; this category includes lead teachers and head teachers. By "assistant teachers" we mean persons working in a classroom under the supervision of a teacher or lead teacher who do not have supervisory positions; assistant teachers may also be called "aides."

Among center- and home-based educators, we categorize and examine variation by the funding type of the program in which the respondent works. Center and FCC programs may receive funding from multiple sources, and participation in subsidized funding streams varies. There are two major ways that state and federal dollars are distributed to early care and education in California: contracts and vouchers. Contracts are distributed to designated programs that meet specific operational and regulatory criteria to fund permanent slots for families meeting income and other eligibility criteria. Vouchers are likewise provided to families meeting income and other eligibility criteria to subsidize the cost of care for their children. **Figures 4** and **9** provide a breakdown of the percentage of centers and FCCs by funding type.

We used a strategy of sequential categorization to create mutually exclusive categories (see **Figure 1**). Among centers, we classified programs that reported having a contract through either Head Start, Early Head Start, or Migrant Head Start as "Head Start" centers. Among the remaining centers, those with a contract to operate a state-subsidized (Title 5) program are classified as "Title 5" centers and those accepting voucher subsidy payments as "voucher-subsidized" centers. Centers operating entirely on family fees and donations are categorized as "no public funding." Based on our method of categorization, some programs in the Head Start category may also have state contracts and/or receive vouchers. Programs in the Title 5 category may also receive vouchers and family fees but not Head Start contracts. In the voucher-subsidized category, programs likely serve a mix of private-fee-paying families and children with vouchers.

FIGURE 1. FLOWCHART FOR CATEGORIZING PROGRAMS BY FUNDING TYPE

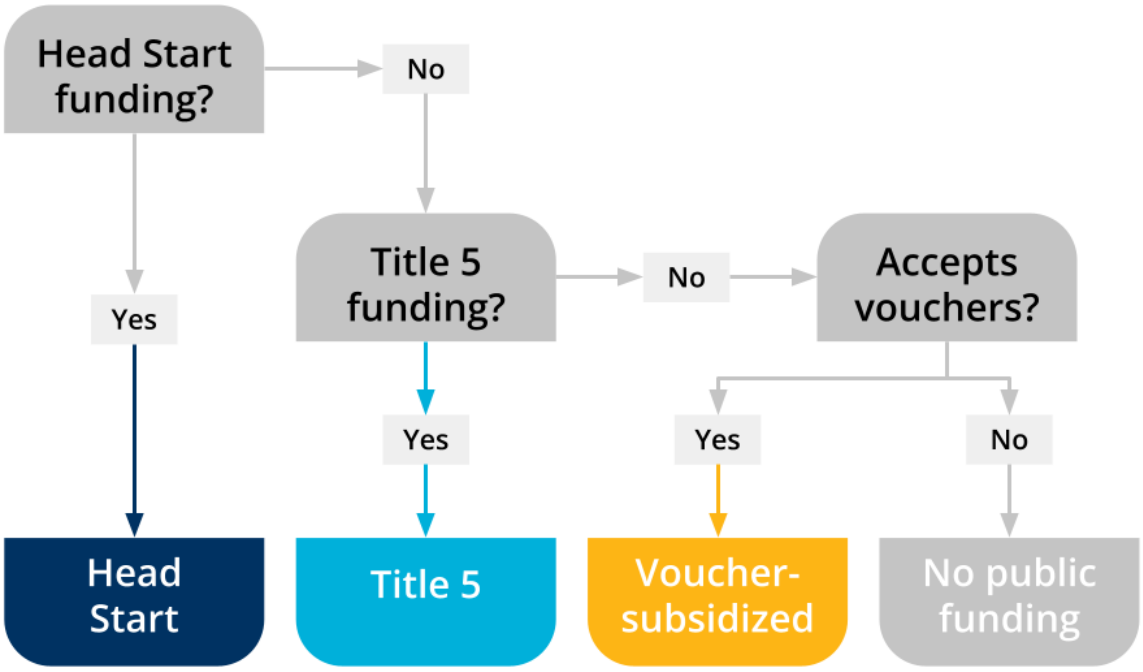


Chart: Center for the Study of Child Care Employment, University of California, Berkeley.

We also examine variation by funding type among FCC providers. However, because of the much smaller number of Head Start and Title 5 contracts among FCC providers, we have combined public-contract funding into one category: "Head Start/Title 5." The other funding categories mirror those for centers.

In addition to extensive quantitative data, we also collected a substantial volume of qualitative responses to open-ended survey questions. Our respondents wrote more than half a million words. For this paper, we present select responses from respondents who provided additional information about their economic well-being.

Throughout this report, we also provide comparable estimates for working adults living in California. To that end, we incorporate analysis of May 2020 State Occupational Employment and Wage Estimates from the U.S. Bureau of Labor Statistics (2020b) and the 2020 Survey of Household Economics and Decisionmaking (SHED) from the Federal Reserve (Board of Governors of the Federal Reserve System, 2022). Additionally, we incorporate statewide employer benefit data from our analysis of the 2020 American Community Survey 5-Year Sample, the 2017-2021 Current Population Survey, and the National Compensation Survey from the U.S. Bureau of Labor Statistics, Pacific Region (Flood et al., 2021; Ruggles et al., 2021; U.S. Bureau of Labor Statistics, 2020a).

A map of the study regions is included in **Appendix 2**, and findings by region are presented in **Appendices 4** and **5**. Due to small sample size, we are not able to report all of the statewide data at the regional level. For some data, we have collapsed categories for regional reporting. For example, income by education is presented for four categories for statewide findings within the report but is reported for three categories in the regional appendix.

Early Educator Workforce Characteristics

As of Fall 2020, the licensed California ECE workforce was about 140,000 members strong: approximately 60,800 teachers, 23,000 assistant teachers, and 9,500 directors in center-based settings, as well as about 24,000 FCC providers. We also estimate that there were some 20,900 FCC assistants. Although FCC assistants make up an important part of the workforce, we did not directly survey this group, therefore the results of this report are not reflective of this group (Kim et al., 2021).

Nearly all early educators are women (98 percent), and the majority of them identify as people of color, including 71 percent of FCC providers, 66 percent of center teachers, and 45 percent of center directors (Powell, Kim, et al., 2022). Many early educators were born outside the United States—42 percent of FCC providers, 28 percent of center teachers, and 18 percent of center directors—and more than one third are multilingual, with multilingual Spanish speakers making up the largest group (Powell, Kim, et al., 2022). Nineteen percent of all center directors are multilingual Spanish speakers, as are 28 percent of FCC providers and 35 percent of center teachers and aides (Powell, Kim, et al., 2022). This highly diverse workforce closely mirrors California children (Williams et al., 2021).

The California ECE workforce is highly educated. Close to three quarters of center directors, about one half of center-based teaching staff, and nearly one third of FCC providers have at least a bachelor's degree (Kim, Austin, et al., 2022). These educators also have extensive practical experience, averaging more than 15 years of teaching children in the ECE field.

Our data show that early educators' characteristics vary by program setting. For example, FCC providers are more likely to be women of color or immigrant women than the center-based workforce. A greater proportion of center directors and teachers hold a bachelor's degree or higher compared to FCC providers, but FCC providers have longer tenure in the ECE field than center-based teaching staff.

Income and Wages of Home- and Center-Based Educators

Income and wages were self-reported by early educators. For center-based educators, we asked about wages directly. For FCC providers, we estimated wages using a combination of household income and proportion of income earned working with children. Due to differences in data collection between the center-based workforce and the home-based workforce, we are not able to present all of the same data points for center-based providers and FCC providers.

Box 1. Income Estimates for FCC Providers

Family child care providers are self-employed and may not be able to quantify their wages on an hourly or monthly basis. To estimate their take-home pay, we multiply their annual household income in 2019 by the reported proportion earned through working in early care and education. We do not adjust earnings based on hours worked. Because our data do not directly measure FCC provider earnings—and we cannot account for their expenses, such as assistant pay—we provide estimates in the form of a range. If there are multiple wage earners in a household, FCC income may reflect the income of more than one person.

For additional details, refer to **Appendix 1**.

Annual Income for the ECE Workforce

For center-based educators, self-reported wage data has been adjusted to full-time status (40 hours per week) to calculate annual income. For FCC providers, we do not adjust self-reported income based on hours worked (see **Box 1**) as the amount reported may reflect the income of more than one person if there are multiple wage earners in a household. However, FCC providers were more than three times more likely than center directors to report that they worked more than 40 hours per week (72 percent of large FCC providers and 64 percent of small providers, compared to 21 percent of directors). Among center-based teaching staff, working more than 40 hours is rare; rather, our data show around 45 percent of assistants and 27 percent of teachers work fewer than 35 hours per week.

As shown in **Table 1**, the median annual income of center directors, teachers, and assistant teachers is $54,100, $39,500, and $33,300, respectively. Among FCC providers, median annual income varied substantially by program size. Small FCC homes, serving a maximum of eight children, reported the lowest wages among the ECE workforce, with an annual income range of $16,200-$30,000. Large FCC homes, serving up to 14 children, reported a range of $40,000-$56,400, which maps closely to the income range of center teachers and directors.

Among center-based educators, those in the Bay Area earn the highest income, followed by early educators in Los Angeles and the southern region, likely reflecting the high cost of living as well as higher minimum wages in these areas. Center-based educators in the northern region reported the lowest income. Similarly, among FCC providers, those in the Bay Area reported the highest income, regardless of program size. For providers in large FCCs, those in Los Angeles reported the second highest incomes, with little variation among the other regions. For providers in small FCCs, those in the central region reported the lowest income, while there was little variation among the other regions.

TABLE 1. MEDIAN ANNUAL INCOME FROM FULL-TIME EMPLOYMENT IN ECE, BY PROVIDER TYPE AND REGION

California, 2020

	Small FCC Provider	Large FCC Provider	Center-Based Director	Center-Based Teacher	Center-Based Asst. Teacher
Northern	$16,900 to $28,200	$39,600 to $56,200	$45,000	$31,200	$27,900
Bay Area	$24,000 to $42,000	$43,100 to $56,400	$62,400	$45,800	$38,500
Central	$14,600 to $28,200	$39,600 to $56,400	$50,000	$36,000	$31,200
Southern	$16,200 to $28,200	$39,200 to $56,400	$53,000	$37,400	$31,200
Los Angeles	$16,900 to $28,200	$41,500 to $56,400	$54,000	$37,400	$31,500
Statewide	**$16,200 to $30,000**	**$40,000 to $56,400**	**$54,100**	**$39,500**	**$33,300**
N =	900	766	1,052	972	423

For family child care, providers are self-employed and may not quantify their wages on an hourly or monthly basis. To estimate their take-home pay, we multiply their annual household income in 2019 by the reported proportion earned through working in ECE. We do not adjust earnings based on hours worked. FCC estimates are CPI-adjusted to fall 2020, the time of the survey. For additional details, refer to **Appendix 1**.

For center-based educators, we asked for wages directly for their employment in 2020. For workers with fewer than 40 hours per week, estimates on the self-reported data are adjusted to full time (40 hours per week).

Source: Center for the Study of Child Care Employment, University of California, Berkeley

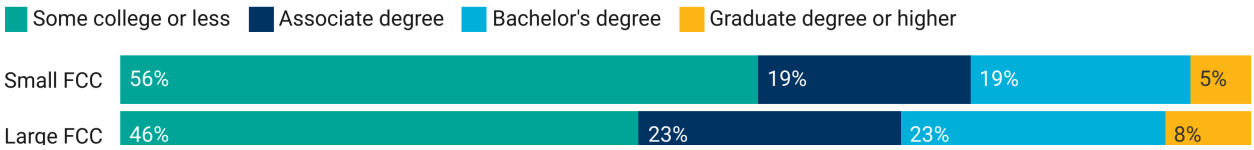
Family Child Care Provider Annual Income

FCC Provider Income by Education Level

While there are no educational requirements to be a licensed FCC provider in California, more than one half of all providers have an associate degree or higher (**Figure 2**).

FIGURE 2. EDUCATIONAL ATTAINMENT OF FAMILY CHILD CARE PROVIDERS, BY PROGRAM SIZE

California, 2020



Small FCC N = 1,281
Large FCC N = 1,070
Source: Center for the Study of Child Care Employment, University of California, Berkeley

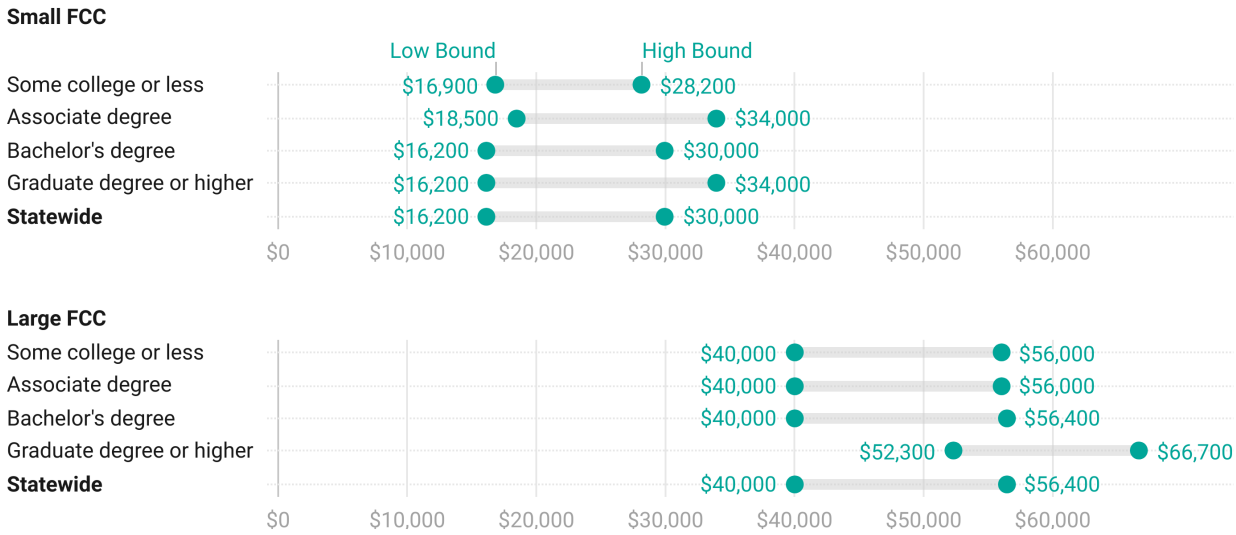
There is some variation in FCC provider income by education level (**Figure 3**). In small FCC homes statewide, educators with an associate degree reported the highest income. Providers operating small FCCs do not see an increase for attaining a bachelor's degree, but there is a bump for those with a graduate degree.

Among providers operating large FCC homes, there is no premium for attaining either an associate or a bachelor's degree. However, there is an increase in income for those with a graduate degree.

Caution should be used when interpreting FCC provider income by education level, as there are likely many factors in play, including income of families served, provider tenure, and provider age. There is no reliable schedule by which FCC providers can expect higher earnings for attaining higher levels of education. Additionally, bumps in income for higher levels of education can be modest, especially considering that the wage floor for FCC providers with degrees is well below the state median wage.

FIGURE 3. MEDIAN ANNUAL INCOME OF FAMILY CHILD CARE PROVIDERS, BY EDUCATION LEVEL AND PROGRAM SIZE

Estimated Range in California, 2020



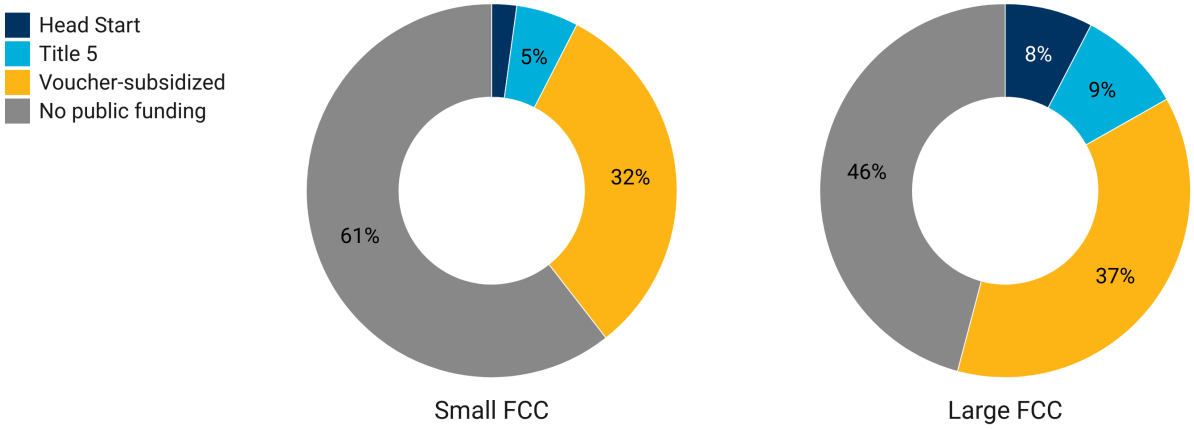
Small FCC N = 880
Large FCC N = 757
To estimate take-home pay for family child care providers, we multiply their annual household income in 2019 by the reported proportion earned through working in ECE. We do not adjust earnings based on hours worked. FCC estimates are CPI-adjusted to fall 2020, the time of the survey. For additional details, refer to **Appendix 1**.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FCC Provider Income by Program Funding Type

About 7 percent of small FCC providers and 17 percent of large FCC providers have a contract for state- or federally funded care, such as Head Start or the California State Preschool Program. About one third of all FCC programs accept voucher-based subsidies (see **Figure 4**). Voucher-based funding may fluctuate with enrollment, as many of these programs also serve tuition-paying families.

FIGURE 4. DISTRIBUTION OF FAMILY CHILD CARE PROGRAMS, BY FUNDING TYPE AND PROGRAM SIZE

California, 2020



Small FCC N = 1,292
Large FCC N = 1,086
Programs may receive multiple types of public funding. In this analysis, we categorize all Head Start-funded programs as Head Start; of the remainder, any programs with a contract with the California Department of Education are labeled Title 5. Consequently, some Head Start programs may also receive Title 5 funding, and some Title 5 programs may also receive vouchers.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

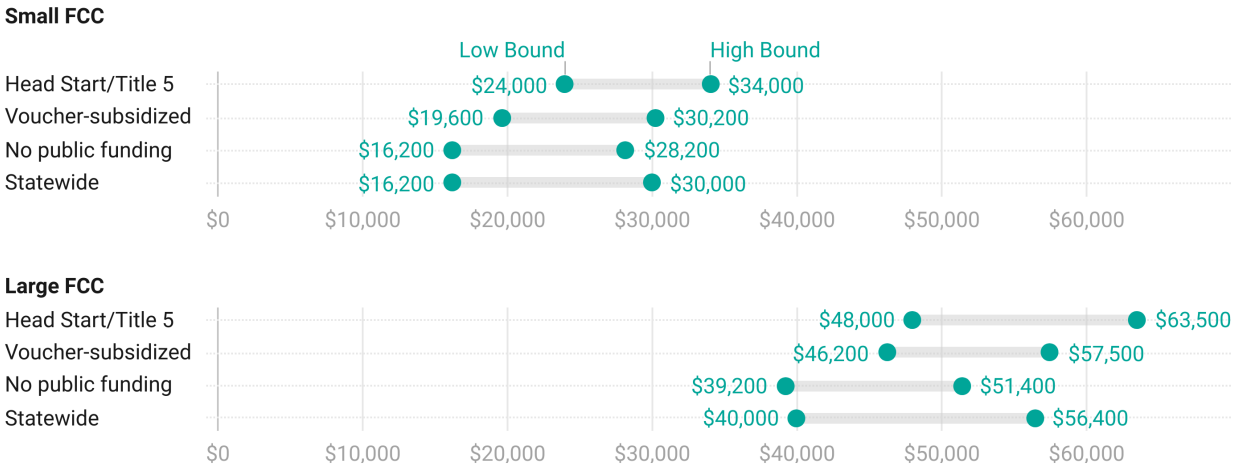
Figure 5 reports the median income of FCC providers by program funding type. On average, FCC providers holding contracts with the state of California or Head Start reported higher incomes than those in programs that are voucher-subsidized or have no public funding, regardless of program size. FCC providers who receive vouchers reported higher annual income than those in programs with no public funding.

Still, voucher-subsidized FCC providers expressed concern. As a provider in the Bay Area explained, "All of my income depends on the money available for a subsidy to parents and families and the ability for private-pay parents to continue to pay tuition. If anything goes wrong with either, I am in big trouble." Another provider located in the southern region, said:

> I am concerned that the minimum salary is increased every year to pay assistants, but the rates for subsidized services have not been increased. That is why I find myself in the need to work extended hours and even weekends in order to compensate part of those increases. On weekends and hours before 6 a.m. and after 6 p.m., I do not hire assistants. With that I can balance, but as you can see, it is quite expensive for the main provider.

FIGURE 5. MEDIAN ANNUAL INCOME OF FAMILY CHILD CARE PROVIDERS, BY PROGRAM SIZE AND FUNDING TYPE

Estimated Range in California, 2020



Small FCC N = 877
Large FCC N = 737
To estimate take-home pay for family child care providers, we multiply their annual household income in 2019 by the reported proportion earned through working in ECE. We do not adjust earnings based on hours worked. FCC estimates are CPI-adjusted to fall 2020, the time of the survey. For additional details, refer to **Appendix 1**.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Median Hourly Wages for Center Educators

The annual income estimates in **Table 1** (page 16) show the median earnings for full-time, full-year employment, adjusted for full-time status for center-based educators. For center-based educators, we also provide median hourly wages and focus on hourly wages when examining variation.

Similar to ECE educators across the United States, the wages of California's center-based ECE workforce rank near the bottom among all occupations. On an hourly basis, the median wage in a child care center in California in 2020 was $16 for an assistant or aide and $19 for a lead teacher. By comparison, directors and administrators earned $26 per hour, which is less than half the wage of an administrator in an elementary-school setting. All center-based wages, regardless of role, are well below the $41 hourly wage of a transitional kindergarten (TK) or elementary school teacher—and below the living wage of $40 for a family with one adult and one child. **Figure 6** compares median hourly wages for center-based educators as well as workers in similar occupations. Wage differences are not merely a function of education level; wages for early educators with bachelor's degrees are not much higher and are still a fraction of TK teachers' wages (see **Table 2** on page 25).

Box 2. A Note on Minimum Wage

Our data were collected in 2020, when California's minimum was $12 per hour for employers of 25 or fewer staff members and $13 for larger organizations. As of 2022, both minimums have risen by $2 per hour. The policy may have impacted some early educators; however, we estimate that 85 percent of center-based educators were already earning at least $15 per hour in 2020. Their wages may be unaffected by the policy change, just as FCC providers, who are self-employed, will see no impact on their earnings.

FIGURE 6. MEDIAN HOURLY WAGES, BY OCCUPATION

California, 2020

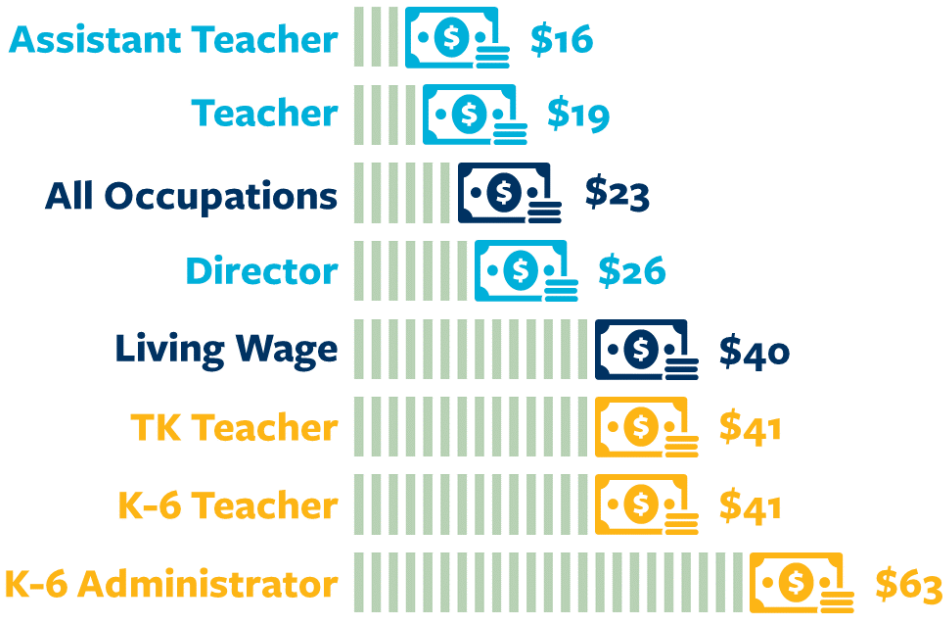


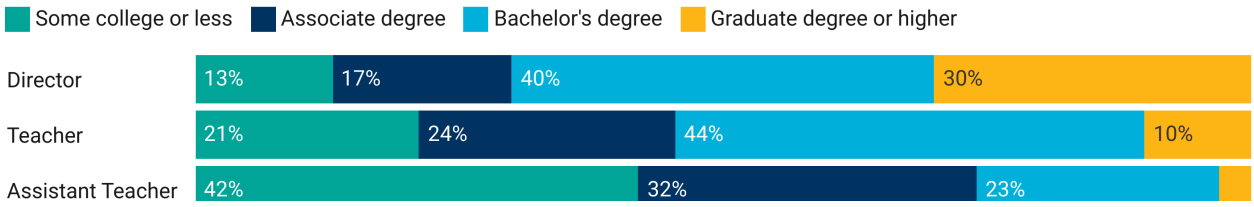
Chart: Center for the Study of Child Care Employment, University of California, Berkeley.
Source: Child care center wages derived from the 2020 California ECE Workforce Study. TK wage estimates may be found in *Double or Nothing?* (Powell, Montoya, et al., 2022). All occupations and K-6 wages come from the 2020 Occupational Employment and Wage Statistics from the U.S. Bureau of Labor Statistics (2021). Living wages are calculated using the Living Wage Calculator, estimating for a working adult with one child in California in 2022 and CPI-adjusted to October 2020 (Glasmeier, 2022).

Center-Based Wages by Education Level

Although current regulations for most center-based settings in California do not require a degree (Melnick et al., 2017), more than one half of teachers and more than two thirds of directors have a bachelor's degree or higher. Additionally, more than one half of assistant teachers have earned an associate degree or higher (**Figure 7**).

FIGURE 7. EDUCATIONAL ATTAINMENT OF CENTER-BASED EARLY EDUCATORS, BY ROLE

California, 2020



Director N = 1,650
Teacher N = 1,403
Assistant Teacher N = 633
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Center-based early educators typically receive a wage bump for higher levels of education, but the size of the increase varies by job role and degree level (see **Table 2** and **Figure 8**). Similar to family child care providers, wages for center-based educators are also likely impacted by other factors, including income of families served, provider tenure, and provider age.

Furthermore, the median wages of educators across job roles and education levels fall short of the national median wage of workers with comparable education across occupations. For example, the median wage of a California center teacher with a bachelor's degree or higher is $20 an hour, while workers with a bachelor's degree across occupations in the United States are paid a median hourly wage of more than $34 (Ruggles, 2021). This pattern holds when wages from the report are adjusted to 2020.

Pay bumps for increased education lack a coherent pattern, with the greatest variability in the increase from an associate to bachelor's degree (**Figure 8**). This variability may be due to the different qualifications for staff across program type (Melnick et al., 2017), the absence of a standard salary schedule for the sector, and compressed wages, with newly hired and less-experienced educators often earning close to what longer-tenured staff are paid. For example, the median wage bump between a teacher with an associate degree and a bachelor's degree is just $1.80 per hour, an increase of less than 10 percent. For directors, the bump between holding an associate degree and bachelor's degree is $4.50, a 20-percent increase, while assistant teachers with a bachelor's degree are paid $0.25 *less* per hour than those with an associate degree (a 1.5-percent reduction).

Overall, center directors see the greatest premium for higher levels of education. The difference between wages for directors with some college or less and those with graduate degrees is $10.18 per hour (a 46-percent increase). For teachers, the difference in hourly wages is $6.75 (a 40-percent increase).

Pay bumps for higher levels of education may be modest and remain below the state median wage. As a center director in Los Angeles county reported, "My spouse is an engineering geologist with a BS degree to my MA degree. He earns $120,000 annually to my $61,000." A center teacher explained in more detail that:

> The profession as a child educator is not paid enough money compare[d] to other professions. I have been working in the same center for more than five years and have earned more than 50 units in ECE and have [a] BA degree from my home country and only earn $15 per hour. This profession surely requires education to give better-quality care, but it seems like [it] is not being respected enough in terms of salary.

Other educators discussed their desire to attain additional qualifications to move into other roles and the barriers they face in this respect. A teacher in the southern region said:

> I am interested in pursuing a teaching credential, but it is very stressful as it will mean a year without income because I will be teaching unpaid during the day and attending classes at night. It is hard to move up financially when an education costs both time and money.

TABLE 2. MEDIAN HOURLY WAGES OF CENTER-BASED EARLY EDUCATORS, BY EDUCATION LEVEL

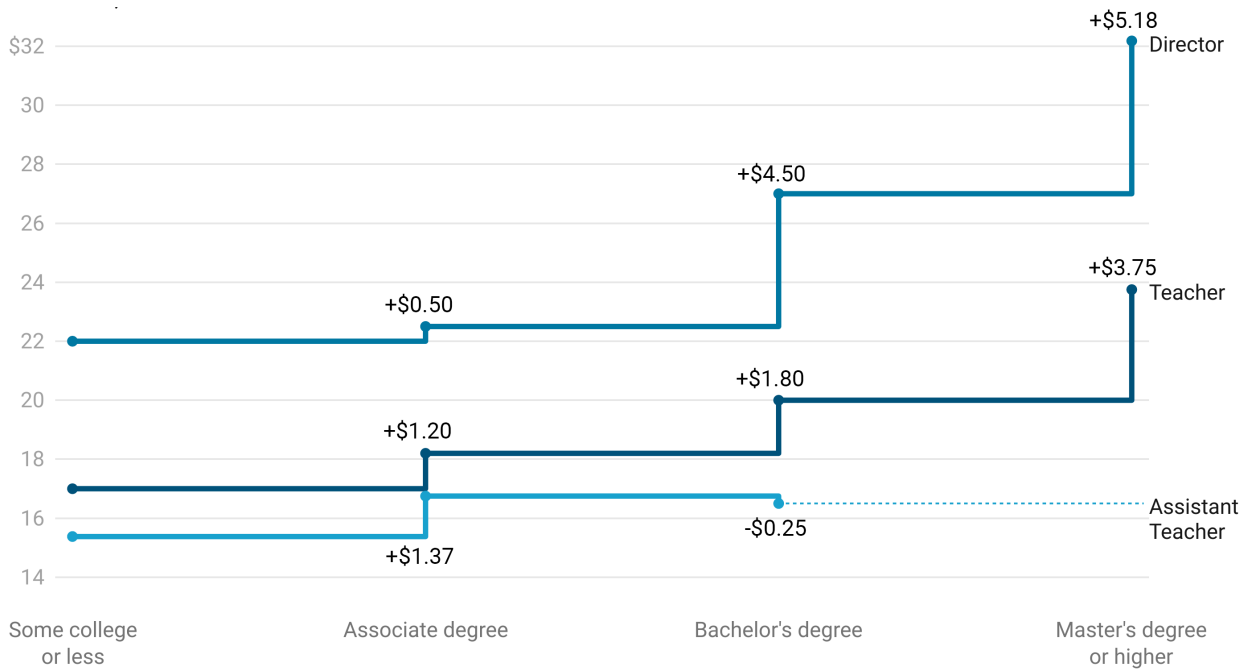
California, 2020

	Director	Teacher	Assistant Teacher
Some college or less	$22.00	$17.00	$15.38
Associate degree	$22.50	$18.20	$16.75
Bachelor's degree	$27.00	$20.00	$16.50
Master's degree or higher	$32.18	$23.75	**
Statewide	**$26.82**	**$19.00**	**$16.00**
N =	1,031	970	420

** Data suppressed due to small sample size (n<10)
Note: Pooling assistant teachers with bachelor's and master's degrees or higher results in a median hourly wage of $16.50.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FIGURE 8. CENTER PAY PREMIUMS FOR EDUCATIONAL ATTAINMENT, BY ROLE

California, 2020



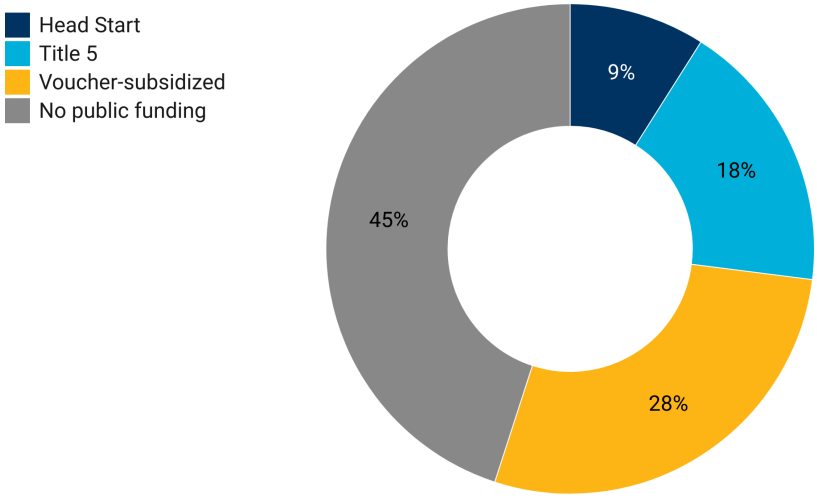
Director N = 1,052
Teacher N = 972
Assistant Teacher N = 423
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Center-Based Wages by Program Funding Type

Approximately one in four centers (27 percent) has a contract for state- or federally funded care, such as Head Start or the California State Preschool Program. Similarly, one in four centers (28 percent) accept voucher-based subsidies (**Figure 9**). In California, programs with different funding sources also have different staffing requirements (Melnick et al., 2017). For example, directors and teachers employed in contract-based programs are required to have more ECE units than directors and teachers in centers with no public funding. Nonetheless, as demonstrated in **Figure 7**, many educators exceed these basic requirements.

FIGURE 9. DISTRIBUTION OF CENTER-BASED PROGRAMS, BY FUNDING TYPE

California, 2020



Center N = 2,022
Programs may receive multiple types of public funding. In this analysis, we categorize all Head Start-funded programs as Head Start; of the remainder, any programs with a contract with the California Department of Education are labeled "Title 5." Consequently, some Head Start programs may also receive Title 5 funding, and some Title 5 programs may also receive vouchers.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

The pay of center-based educators varies depending on the funding type of the program in which they work (**Table 3**). Throughout California, directors, teachers, and assistant teachers in state-contracted centers reported higher wages than those in centers with other funding sources. This finding is consistent with findings across the United States from the National Survey of Early Care and Education (NSECE) (Whitebook et al., 2018) and underscores the important role of stable public contracts for securing better wages.

For directors and assistant teachers, the lowest pay is found in centers receiving vouchers, while for teachers, those working in centers with no public funding receive the lowest pay. Directors in state-contracted centers report hourly wages that are $6.42 higher than directors of centers receiving vouchers—a difference of 27 percent. Assistant teachers in Title 5 programs earn $1.12 more per hour than assistant teachers in voucher-receiving centers.

This variation also extends to pay differences between roles within a center funding type. In Title 5 programs, directors are paid $14.25 more per hour than assistant teachers (88 percent more), while in voucher-based programs, directors report wages that are $8.95 more per hour than assistant teachers (60 percent more).

The lower wages found in voucher-based programs may be reflective of the unstable nature of this type of funding. Previous research indicates that the per-child voucher payment has not been sufficient to cover the true cost of care (Saucedo & Schumacher, 2022) and that centers receiving vouchers tend to be under-resourced, compared to centers with other types of funding (Austin et al., 2018; Johnson et al., 2020; National Survey of Early Care and Education Project Team, 2014; Whitebook et al., 2006).

For teachers, the pattern is slightly different, with those working in centers with no public funding reporting the lowest wages. Teachers in Title 5 programs earn $3.55 more per hour than those working in centers with no public funding. A teacher employed in a center with no public funding in the southern region wrote:

> I fear that my income will drop due to lack of state support to strengthen the small private child care centers and family child care providers. We were there for the children of essential workers during this pandemic. We never ran away from our duties during the pandemic. But as per my understanding, the state focus[es] more on funding public-sector daycares and ignore[s] the private daycares.

We see greater variation in center-based wages based on program funding type than by educator education level. However, similar to variation by education level, even for teachers working in programs with higher pay, wages are far below the state median wage of $42 per hour for TK-12 teachers.

TABLE 3. MEDIAN HOURLY WAGES OF CENTER-BASED EARLY EDUCATORS, BY ROLE AND FUNDING TYPE

California, 2020

	Director	Teacher	Assistant Teacher
Head Start	$25.66	$20.00	$15.68
Title 5	$30.37	$21.55	$16.12
Voucher-subsidized	$23.95	$18.39	$15.00
No public funding	$27.01	$18.00	$16.00
Statewide	**$26.82**	**$19.00**	**$16.00**
N =	1,035	973	423

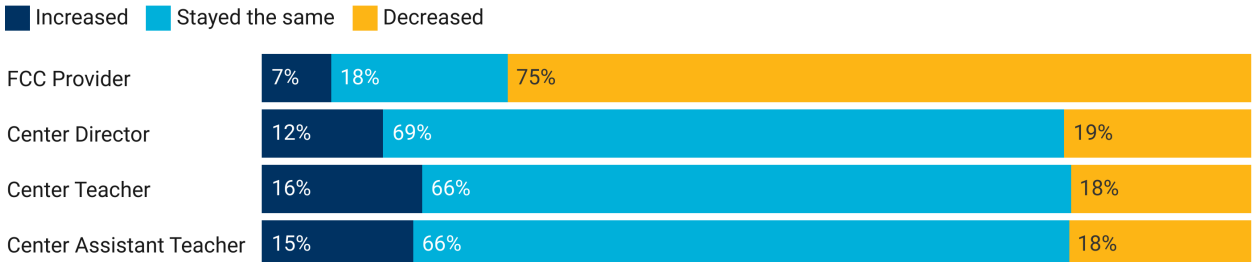
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Changes in Pay Due to the Pandemic

We asked educators whether or not they experienced a change in pay due to the pandemic (see **Figure 10**). Family child care providers were about four times more likely than center directors and teachers to experience a decrease in pay. The majority of the center-based workforce reported that their pay stayed the same.

FIGURE 10. CHANGES IN PAY DUE TO PANDEMIC, BY PROVIDER TYPE

California Child Care Workforce, 2020

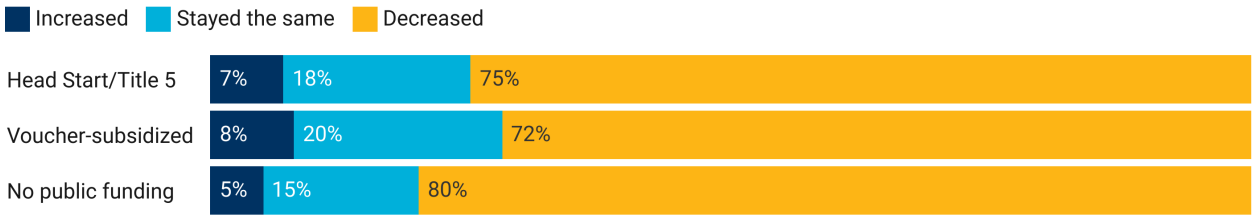


FCC Provider N = 1,788
Center Director N = 1,462
Center Teacher N = 1,246
Center Assistant Teacher N = 540
Source: Center for the Study of Child Care Employment, University of California, Berkeley

While about three quarters of all FCC providers experienced a decrease in income, those programs without public funding were more likely to report a decrease (80 percent) than providers with state contracts or those receiving vouchers (75 percent and 72 percent, respectively). FCC providers who received vouchers were more likely to report that their pay stayed the same and slightly more likely to report a pay increase (see **Figure 11**).

FIGURE 11. CHANGES IN PAY DUE TO PANDEMIC, BY FAMILY CHILD CARE FUNDING TYPE

California, 2020

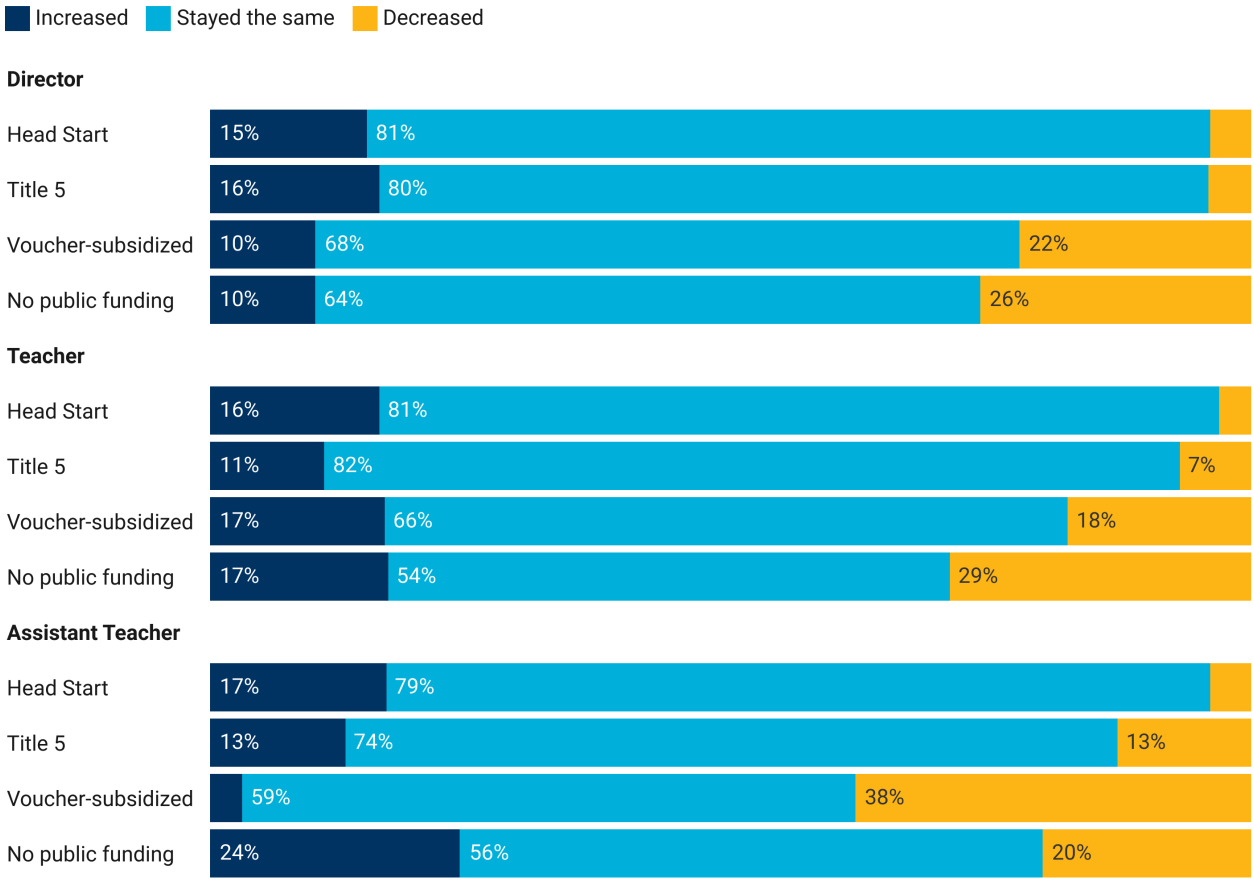


FCC Provider N = 1,716
Source: Center for the Study of Child Care Employment, University of California, Berkeley

As shown in **Figure 12**, across roles, educators in voucher-based and unsubsidized centers were more likely than those in Head Start and state-contracted centers to report a decrease in pay. There was no discernable pattern to reports of pay increases based on program funding type.

FIGURE 12. CHANGES IN PAY DUE TO PANDEMIC, BY CENTER FUNDING TYPE

California Center-Based Workforce, 2020



Director N = 1,462
Teacher N = 1,246
Assistant Teacher N = 540
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Consequences of Low Pay

Regardless of their program setting, location, or role, the majority of early educators do not earn a livable income. As a consequence of low wages, about one third of FCC providers and center teachers reported accessing one or more public income-support programs such as Medi-Cal (Powell, Chávez, et al., 2022). And approximately two in three FCC providers and three in four center-based educators in California would be eligible for a public subsidy for their own child care. The same proportion would be eligible for subsidized housing.

Many early educators express worry about meeting basic expenses. A Bay Area center-based teacher reported, "Overall, [I'm] having a hard time picking and choosing which bills to pay because of being afraid of losing my apartment lease from not being able to pay on time." An FCC provider located in the southern region said:

> Child care providers don't even make a living wage if we break down our hourly income. I personally put extra effort and attention to each of my charges, and I know parents are grateful but themselves cannot pay more than they already pay.

Respondents repeatedly noted that work in early care and education was possible only because living expenses were shared with a partner or other family member. An FCC provider in the Bay Area explained, "If I didn't have family support with shared bills, I wouldn't make it. I'm truly grateful." A Bay Area center-based teacher told us:

> I would not be able to afford to do this job without having a spouse who is the main income earner. Early childhood educators do not make enough income in general, and even though my center pays reasonably well, I made this same amount per hour 20 years ago in another field at an entry-level job.

A director of a child care center in Los Angeles County reported:

> My husband has a stable, well-paying job.... If this school were my sole income, I would be in great trouble. My husband's job is why our center is able to stay open. I have been able to work for no pay for months, and we put savings into the program to keep it from closing in the spring.

Benefits

Along with low wages, early educators historically have had access to few benefits (Whitebook et al., 2018; Banerjee et al., 2021; Otten et al., 2019). In comparison, teachers in TK-12 public schools can count on access to health insurance, retirement plans, and paid time off in virtually all districts throughout California (CalSTRS, n.d.; CalPERS, n.d.).

We examined the healthcare coverage, retirement savings, and paid time off of California early educators by setting, role, and funding type.

Educators were asked if they had health insurance from any source. We also asked about sources of healthcare coverage and plan deductibles. We asked participants whether they had any retirement accounts such as a 401(k), 403(b), IRA, or other account designed specifically for retirement savings. We did not ask whether they were making contributions at the time of the survey. We asked center-based educators whether they received any paid time off (sick and/or vacation days). We asked FCC providers if their contract agreement with families specified paid time off.

Early Educators With Health Insurance, Retirement Savings, and Paid Time Off

Figures 13 and **14** show healthcare coverage, retirement savings, and paid time off for early educators. Overall, FCC providers were less likely than center-based educators to report any of the above benefits, adding to providers' economic instability. As a provider in the southern region said:

> We have no guaranteed income. We are dependent on the number of children enrolled and able to pay for child care.... We have to pay more for health care because we do not have a large group to negotiate lower rates.... We have no paid sick leave, and if we are sick, we do not get paid. We have no paid vacation.... If daycare providers were employees of the state and paid a flat rate and it was not dependent on enrollment, there would be more providers willing to stay open or start a daycare business.

The majority of home- and center-based respondents had health insurance from some source, but the former lagged behind the average for working Californians (92 percent). Additionally, access and source varied by role, program setting, and program funding type. FCC providers, both small and large, are less likely than center-based staff to have health coverage.

Among those with access to health insurance, providers in large FCC homes (45 percent) were more likely than those in small FCC homes (36 percent) or educators in any center role to report having a deductible of $1,000 or more. Assistant teachers in centers were the least likely (28 percent) to report having a deductible of $1,000 or more. This finding varied little by program funding type.

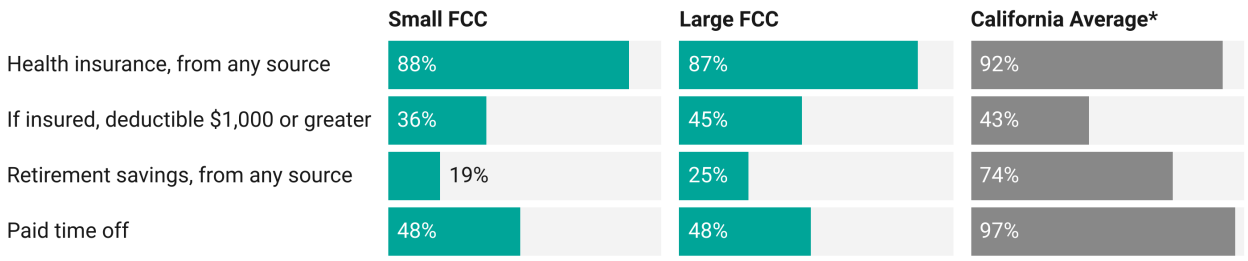
Just 19 percent of small FCC providers, 25 percent of large FCC providers, and 39 percent of assistant teachers reported having any retirement savings. Only about one half of center directors and center teachers reported retirement savings, both falling short of the national average for non-retired adults of 74 percent (Board of Governors of the Federal Reserve System, 2022). In contrast, virtually all public-school teachers have access to a pension (Powell, Montoya, et al., 2022). As one center director described:

> The most challenging area for the majority of educators in early childhood education is the lack of retirement covered by employers. We do not receive any matching funds or a percentage. It's very worrisome always—that is my greatest worry as I age: so many of us rely on [Social Security] pay to cover us.

FCC providers were also less likely than center staff to have paid time off. Less than one half of FCC providers (48 percent), regardless of program size, reported having paid days off in their contracts with families, while the vast majority of center directors, teachers, and assistant teachers do receive paid time off. This pattern persists across all regions of the state. There was little variation by funding type.

FIGURE 13. FAMILY CHILD CARE PROVIDERS WITH HEALTH INSURANCE, RETIREMENT SAVINGS, AND PAID TIME OFF

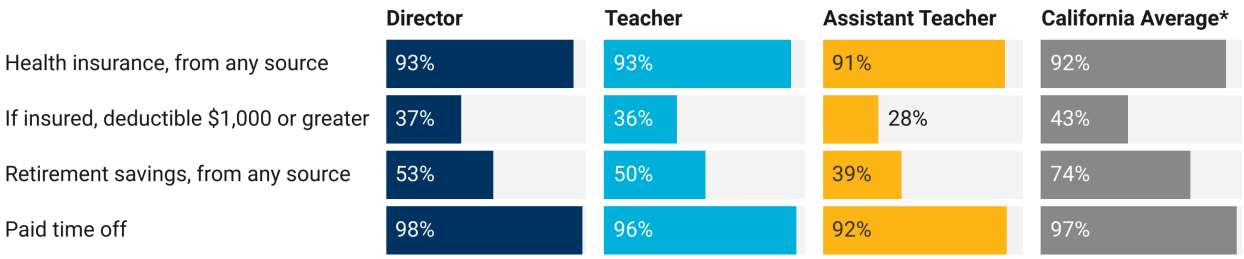
California, 2020



Small FCC N = 878-1,241
Large FCC N = 814-1,022
* The California average for health insurance derives from the authors' analysis of the 2020 American Community Survey 5-Year Sample, accessed via IPUMS. The U.S. Bureau of Labor Statistics (BLS) National Compensation Survey, Pacific Region, provides the source data for high deductible plans (2020) and paid time off (2021). The estimate for retirement savings comes from the 2020 Survey of Household Economics and Decisionmaking (SHED).
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FIGURE 14. CENTER-BASED EARLY EDUCATORS WITH HEALTH INSURANCE, RETIREMENT SAVINGS, AND PAID TIME OFF

California, 2020



Director N = 1,510-1,604
Teacher N = 1,177-1,305
Assistant Teacher N = 502-572
* The California average for health insurance derives from the authors' analysis of the 2020 American Community Survey 5-Year Sample, accessed via IPUMS. The U.S. Bureau of Labor Statistics (BLS) National Compensation Survey, Pacific Region, provides the source data for high deductible plans (2020) and paid time off (2021). The estimate for retirement savings comes from the 2020 Survey of Household Economics and Decisionmaking (SHED).
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Health Insurance Coverage by Program Funding Type

For large FCC providers, there was little variation in whether providers had health insurance based on program funding type—about 85 percent reported having insurance regardless of funding type. For small FCC providers, those in programs that have public contracts were slightly less likely to report having health insurance: 82 percent of providers in FCCs with public contracts reported having insurance, compared to 89 percent and 87 percent, respectively, for those in programs receiving vouchers or no public funding.

There was little variation in center-based educators' health insurance coverage based on program funding type. Center directors and teachers working in Head Start or Title 5 programs were slightly more likely to have insurance than those employed in voucher-subsidized centers or those with no public funding. Virtually all directors in Head Start programs (99 percent) and 96 percent of directors in Title 5 programs reported having insurance, compared to 93 percent of directors in programs with no public funding and 91 percent of directors in voucher-subsidized programs. Ninety-four percent of teachers in Head Start and Title 5 programs reported having insurance, compared to 92 percent of those in voucher-subsidized centers and centers with no public funding. Assistant teachers in Head Start programs (95 percent) and assistant teachers in programs without public funding (94 percent) were more likely to have health coverage than assistant teachers in voucher-subsidized programs (91 percent) or Title 5 programs (86 percent).

Sources of Healthcare Coverage

We asked educators who reported having health insurance to identify the source or sources. Respondents were asked whether they purchased their own health insurance policy through Covered California or directly from an insurance company, if they are covered by Medi-Cal or Medicare, covered by their employer, covered by the policy of a spouse or parent, or covered through other means (for instance, TRICARE).

We found that the source of coverage varies between center- and home-based educators (see **Table 4**). Across roles, center-based educators most often reported that they accessed healthcare coverage through their employer, statewide and in each region (see **Appendix Table 5.6**).

Coverage through a spouse, partner, or parent was significant for both home- and center-based educators. It was the most commonly reported source for both small and large FCC providers, who do not have access to employer-sponsored health insurance because they are self-employed. It was the second most commonly reported source for center-based staff. This finding varied regionally; for center teachers and assistant teachers in the northern, central, and Los Angeles regions, Medi-Cal was the second most commonly reported source (see **Appendix Table 5.6**).

Among FCC providers, Covered California and Medi-Cal were the most commonly reported sources after coverage through a family member. In each region, patterns for FCC providers mirrored those seen statewide (see **Appendix Table 5.5**).

We also asked directors if their center offered health insurance to teaching staff and whether employees utilized it. While 58 percent of teachers and 47 percent of assistant teachers reported that they accessed insurance through their employer, about 70 percent of centers offered employer-sponsored insurance to teaching staff (Powell, Montoya, et al., 2022). Employer-sponsored insurance provided by centers may include either a fully or partially paid premium and may cover the employee only or the employee and dependents. Coverage may not always extend to part-time employees. Early educators, like other employees, may opt out of employer-sponsored insurance for a variety of reasons, including benefits covered in the plan, premium costs, deductibles, or access to a more-affordable option.

Although we did not ask about monthly premiums, health coverage may come at a high cost for early educators, like other Californians. Some respondents wrote about their monthly costs in open-ended survey questions. As one FCC provider described, "My main problem is private health insurance. It is as much as my mortgage."

TABLE 4. SOURCES OF HEALTHCARE COVERAGE FOR EARLY EDUCATORS

California, 2020

	Covered CA	Own Purchase	Medi-Cal	Medicare	Spouse/ Parent	Employer	Other
Small FCC	20%	9%	23%	10%	39%	-	4%
Large FCC	26%	14%	15%	10%	38%	-	2%
Center Director	6%	8%	3%	6%	27%	55%	2%
Center Teacher	5%	7%	10%	2%	23%	58%	2%
Center Assistant Teacher	7%	4%	22%	2%	22%	47%	1%

Small FCC N = 1,031
Large FCC N = 845
Center Director N = 1,460
Center Teacher N = 1,183
Center Assistant Teacher N = 505
Rows may not sum to 100% due to some respondents with multiple sources of health coverage. "Other" includes sources such as TRICARE and VA.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FCC Provider Sources of Healthcare Coverage by Program Funding Type

Small FCC providers, regardless of funding type, were most likely to report accessing health insurance through a spouse, partner, or parent, followed by enrolling in Covered California or qualifying for Medi-Cal (see **Table 5**). Small FCC providers in programs that receive vouchers were more likely than small FCC providers in other funding types to access insurance through Medi-Cal. Providers operating large FCC homes with no public funding were the most likely to be covered by a spouse, partner, or parent. Large FCCs with state or Head Start contracts or that receive vouchers were equally likely to be covered by a spouse, partner, or parent as they were to be enrolled in Covered California.

TABLE 5. SOURCES OF HEALTHCARE COVERAGE FOR FAMILY CHILD CARE PROVIDERS, BY PROGRAM SIZE AND FUNDING TYPE

California, 2020

	Covered CA	Own Purchase	Medi-Cal	Medicare	Spouse/ Parent	Employer	Other
Small FCC							
Head Start/ Title 5	20%	10%	22%	10%	43%	-	3%
Voucher-subsidized	20%	9%	29%	11%	33%	-	3%
No public funding	20%	9%	18%	10%	42%	-	4%
Large FCC							
Head Start/ Title 5	31%	12%	20%	7%	33%	-	1%
Voucher-subsidized	31%	16%	16%	11%	30%	-	2%
No public funding	20%	15%	13%	9%	46%	-	2%

Small FCC N = 949
Large FCC N = 785
Rows may not sum to 100% due to some respondents with multiple sources of health coverage. "Other" includes sources such as TRICARE and VA.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Center Educator Sources of Healthcare Coverage by Program Funding Type

When we examine center-based educators' source of healthcare coverage by program funding type, the importance of public funding is clear. Educators across roles in Head Start and Title 5 programs were more likely to access employer-sponsored health insurance than educators in other programs. Early educators in centers with no public funding were the least likely to access employer-sponsored health insurance (**Table 6**). This finding was particularly pronounced for directors and teachers, where around three quarters of those in contracted programs reported accessing coverage through their employer, compared to about one half of those working in programs with other funding types.

One center director addressed the availability of not just insurance, but other benefits through her job at a publicly contracted center:

> My current job is the first in the early childhood field in which I have received benefits, vacation, retirement, and a competitive salary. I am 48 and have been in the field for almost 20 years. The preschool field is impossible to work in and be able to take care of yourself, let alone be planning for your future.

TABLE 6. SOURCES OF HEALTHCARE COVERAGE FOR CENTER-BASED EARLY EDUCATORS, BY ROLE AND FUNDING TYPE

California, 2020

	Covered CA	Own Purchase	Medi-Cal	Medicare	Spouse/ Parent	Employer	Other
Director							
Head Start	1%	6%	3%	2%	11%	81%	2%
Title 5	4%	3%	1%	1%	18%	76%	2%
Voucher-subsidized	8%	10%	5%	8%	27%	50%	2%
No public funding	7%	10%	2%	7%	34%	44%	2%
Teacher							
Head Start	5%	7%	9%	1%	14%	69%	2%
Title 5	2%	4%	7%	1%	14%	77%	1%
Voucher-subsidized	4%	6%	15%	2%	23%	52%	2%
No public funding	7%	8%	8%	2%	30%	50%	2%
Assistant Teacher							
Head Start	4%	10%	19%	1%	14%	59%	0%
Title 5	6%	3%	25%	2%	22%	47%	2%
Voucher-subsidized	9%	4%	26%	3%	21%	43%	0%
No public funding	7%	3%	18%	3%	28%	42%	2%

Director N = 1,460
Teacher N = 1,183
Assistant Teacher N = 505
Rows may not sum to 100% due to some respondents with multiple sources of health coverage. "Other" includes sources such as TRICARE and VA.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

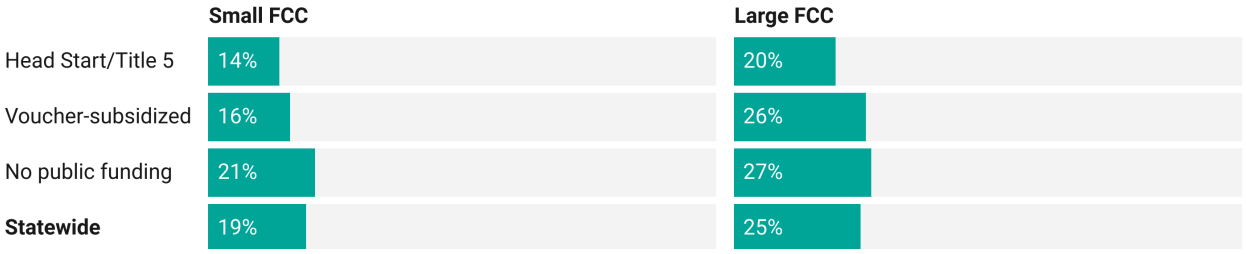
Retirement Savings by Program Funding Type

Family Child Care Providers

Statewide, only 19 to 25 percent of all FCC providers have any retirement savings. Among both small and large FCC providers, those in programs receiving no public funding are more likely to report having retirement savings, while those with Head Start or Title 5 contracts are the least likely to have been able to save for retirement (**Figure 15**).

FIGURE 15. FAMILY CHILD CARE PROVIDERS WITH RETIREMENT SAVINGS FROM ANY SOURCE, BY PROGRAM SIZE AND FUNDING TYPE

California, 2020



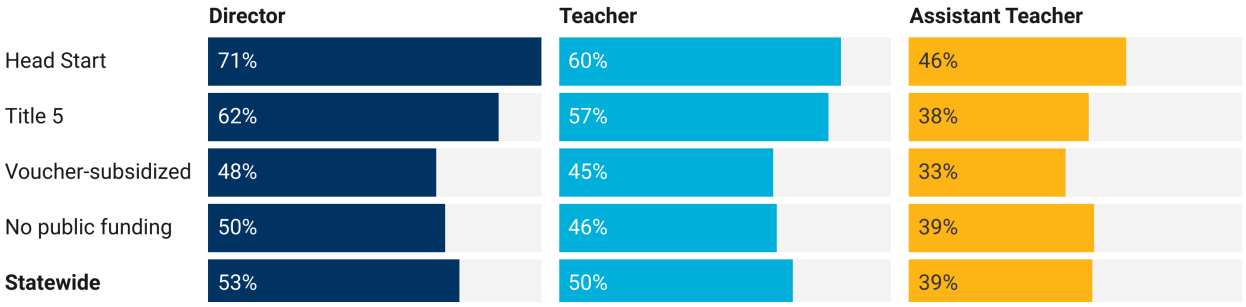
Small FCC N = 1,159
Large FCC N = 967
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Center-Based Providers

Center directors and teachers employed in publicly contracted centers are more likely to report having retirement savings than directors and teachers in other programs. Among center-based educators, regardless of role, those employed in voucher-subsidized programs are the least likely to have a retirement fund from any source (**Figure 16**).

FIGURE 16. CENTER-BASED EARLY EDUCATORS WITH RETIREMENT SAVINGS FROM ANY SOURCE, BY PROGRAM FUNDING TYPE

California, 2020



Director N = 1,510
Teacher N = 1,177
Assistant Teacher N = 502
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Conclusion and Recommendations

Significant consequences result from California's dependance on a market-based system of care and education that relies on limited public provisions to deliver a public benefit. Among these consequences are the poverty and economic insecurity early educators experience. The findings from the California Early Care and Education Workforce Study presented in this report document the persistently low wages and often insufficient benefits of early educators on the whole as well as the disparities attached to setting and funding sources. Findings also reveal the uneven and sometimes irrational ways in which compensation is assigned. The fact that wages have changed very little over the past 15 years and remain wholly inadequate and inequitable should not be treated as inevitable, but as an urgent call to action.

In a field with low income across the board, family child care providers operating small programs reported the lowest income, while large FCC providers reported an income range similar to center teachers and directors. Attaining higher levels of education does not translate into better compensation for FCC providers, yet funding type can matter. FCC providers holding state or federal contracts reported higher incomes than those in voucher-subsidized or programs without public funding, regardless of program size.

While the vast majority of FCC providers reported having healthcare coverage, FCC providers are overall less likely to have coverage than the center-based workforce. As self-employed individuals, they are typically covered through a spouse or family member, by qualifying for Medi-Cal, or by purchasing a plan with Covered California. An alarming percentage of FCC providers reported not having retirement savings—less than one quarter of all FCC providers have some sort of retirement fund. In addition, less than one half of FCC providers reported having paid time off in their contracts with families.

Center directors and center teachers reported median annual incomes close to the range reported by FCC providers, while assistant teachers reported higher income than small FCCs. Educational attainment can be a pathway to improved pay, but it is not always linear. Educators see greater wage differences based on the funding type of the program in which they are employed. Those working in centers with state or federal contracts reported higher wages than those working on programs without contracts.

Most center-based educators reported having health coverage. However, directors and teachers working in publicly contracted centers were much more likely to access employer-covered health insurance than those in centers with other funding types, by about 25 percentage points. Only about one half of directors and teachers and 39 percent of assistant teachers reported having any retirement savings. Regardless of role, those in publicly contracted centers are the most likely to report having retirement savings, while those in voucher-subsidized programs are the least likely. Virtually all center-based staff reported having paid time off, regardless of program funding type.

Despite the essential nature of their work and the personal risks they have taken during the COVID-19 pandemic, few early educators have received wage increases. Nonetheless, findings suggest that public contracts play an important role as a mechanism for providing reliable funding to programs. Compensation for those employed in programs receiving vouchers was often about the same as in programs with no public funding, and in some cases, it was worse. While this paper focused on an examination of compensation and benefits for various job roles by provider type and funding source, there may be additional factors that further influence compensation and benefits. Future research is important to explore interactions among program funding, educational level, age of children served, tenure, part-time or full-time employment status, and racial/ethnic identification of early educators.

Given the status quo of ECE compensation, it is unsurprising that there is a staffing crisis and child care shortage in California. As of this writing, the child care workforce is nearly 9 percent smaller than it was in February 2020, and the state has lost more than 7,000 child care slots (Center for the Study of Child Care Employment, 2022; Assembly Budget Committee, 2022). To realize an effective and equitable early care and education system for California, reform is needed to address both the amount of funding and the policies and structures that drive which educators have access to these resources and how much they receive. These findings exist in a period of unprecedented state and federal funding for early care and education. California policy leaders have an opportunity to do more than just acknowledge the status of early educators—they can take action to disrupt the historic devaluation of the workforce and ensure livable wages and benefits.

Recommendations

Intentionality is required to move from the current early care and education system to one that reflects its service as a public good and provides economic dignity and respect to the early educators who uphold the system. We recommend:

Recommendation 1: Ensure that all state policies are made in consultation with early educators.

- Establish practices that center the experiences, intellect, and leadership of early educators.

Recommendation 2: Articulate compensation standards for all educators across ECE program settings.

- Establish a wage floor so that, at a minimum, no one working in a child care classroom or family child care home earns less than the regionally assessed living wage and articulate minimum benefit standards (health insurance, paid leave, retirement).
- Compensation standards for center- and home-based educators should scale up from the floor to account for job role, experience, and education levels, up to parity with similarly qualified TK and elementary school teachers—and compensation should be provided for non-contact hours (i.e., paid preparation/planning time).

Recommendation 3: Develop a methodology to identify the true cost of providing high-quality ECE programs in both center- and home-based settings that includes established compensation standards.

- Use the true cost to set appropriate levels of funding for a publicly funded ECE system, rather than basing funding on market rates.
- Include adjustments for cost of living in the methodology.

Recommendation 4: Establish requirements and dedicate sufficient public funding for all programs to meet wage and benefit standards. Require and monitor adherence to those standards as a condition of funding.

Recommendation 5: Prioritize stable contract-based funding arrangements for home-based providers and centers.

- Contracts should guarantee a base funding amount—accounting for a specific number of publicly funded spots, rather than using volatile enrollment or attendance levels.
- Contracts should specify the portion of funds to be used for compensation.

Recommendation 6: Fund and make publicly available current and longitudinal research on the ECE system and workforce, including compensation.

- Include a plan to require and fund full participation in state workforce data systems for all members of the ECE workforce employed in school-, center-, and home-based child care settings.
- Examine data to identify and remedy wage gaps and pay inequities.
- Report the utilization and impact of funding for compensation and other investments to inform future policies and resource allocation.

Appendix 1: Methodology for Calculating Annual Family Child Care Income

Estimating family child care (FCC) earnings is challenging with all datasets, including ours. Readers should exercise caution in interpreting these results, since we are unable to estimate programmatic costs and revenues to validate the findings. We believe, however, that data limitations have led to a scarcity of useful information about FCC earnings. As such, we hope our ranged estimates provide a starting point for policy conversations about living wages for family child care providers.

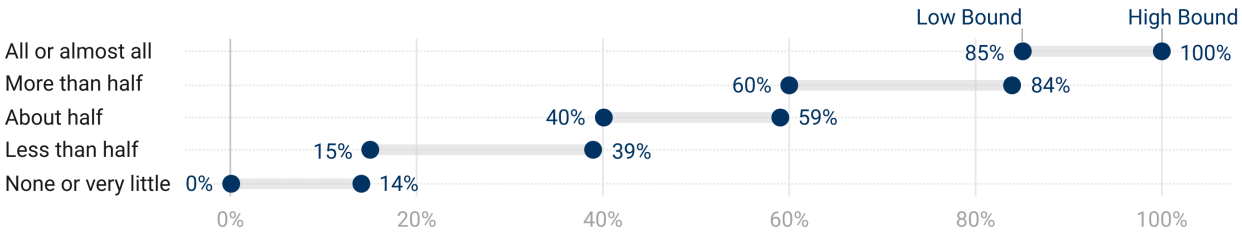
For center-based educators, we used self-reported wage data, adjusted to full-time status (40 hours per week). Family child care providers are self-employed, however, and may not quantify their wages on an hourly or monthly basis. To estimate FCC providers' take-home pay, we multiply their annual household income in 2019 by the reported proportion earned through working in early care and education. We do not adjust earnings based on hours worked. Because our data do not directly measure FCC provider earnings—and we cannot account for their expenses, such as assistant pay—we provide estimates in the form of a range:

Low-Bound Estimate	High-Bound Estimate
= Adjusted household income	= Adjusted household income
x Low-bound percentage	x High-bound percentage

Annual household income: We asked educators for their total household income in 2019, before taxes or deductions, including earnings from other adults in the household, as well as government assistance, gifts, and other income. To estimate FCC earnings, we adjust the household income for inflation from 2019 to 2020 using CPI-W for California from April 2019 to October 2020.

Low-/high-bound percentages: We asked educators what proportion of their annual household income came through working with children. For the latter, the response options spanned "none or very little" to "all or almost all." For analysis, we created a range of low and high interpretations for each response option. For instance, if an educator marked that "all or almost all" their income came from early care and education, we computed a low-bound estimate of 85 percent and a high-bound estimate of 100 percent of household income. **Figure 1.1** below provides the ranges of percentages applied for analysis.

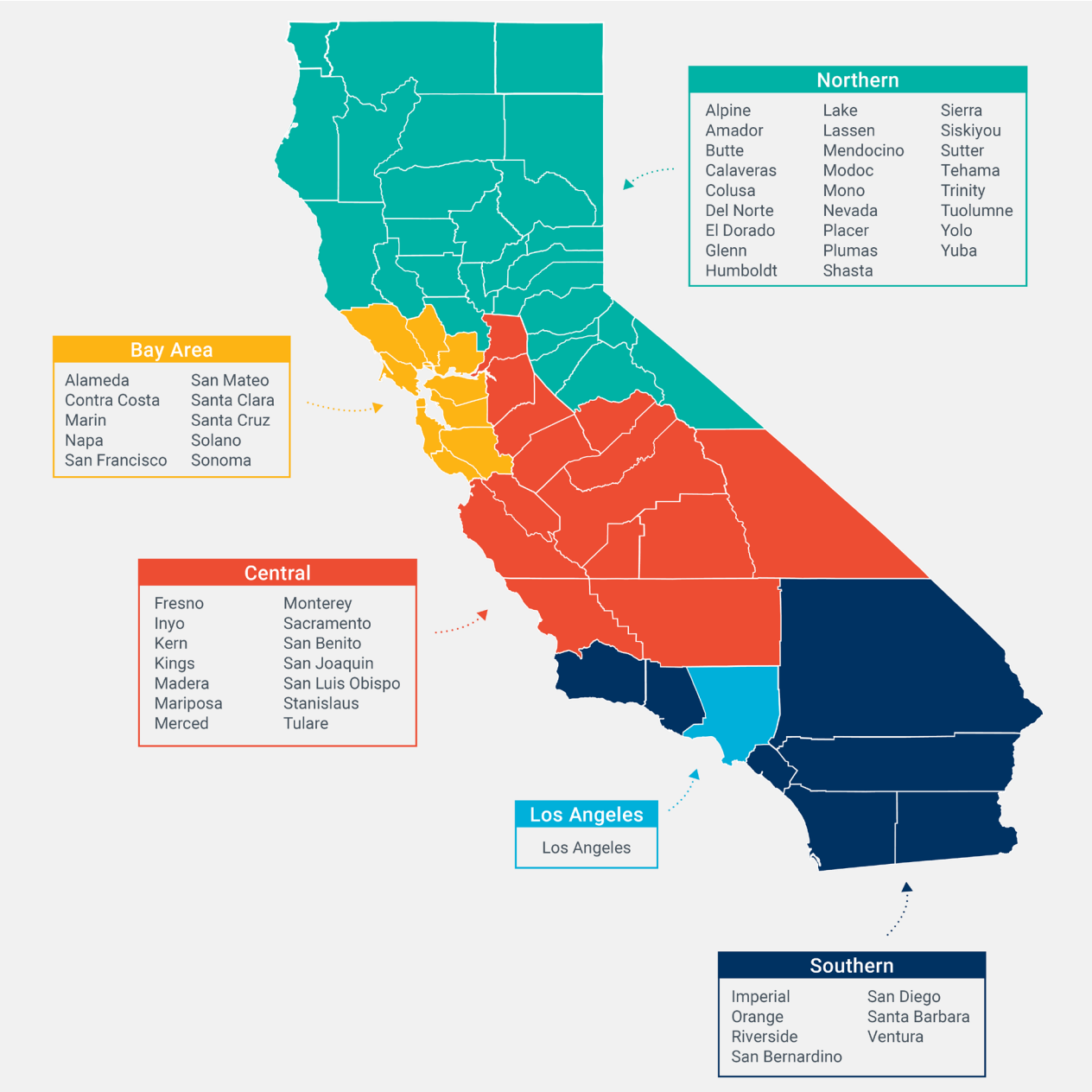
FIGURE 1.1. PERCENT RANGES FOR ANALYSIS OF "PROPORTION OF HOUSEHOLD INCOME FROM WORK WITH CHILDREN"



Source: Center for the Study of Child Care Employment, University of California, Berkeley

Appendix 2: Study Regions

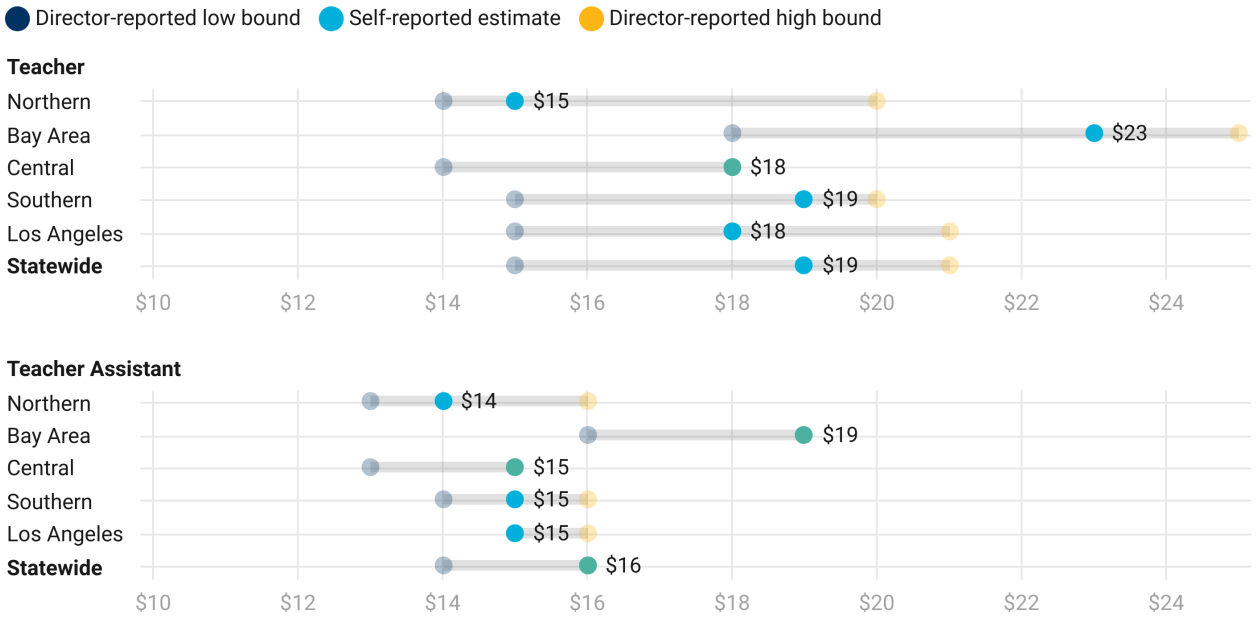
Figure 2.1. Map of Study Regions by County in California



Appendix 3: Center-Based Teaching Staff Wages, As Reported by Directors

FIGURE 3.1. DIRECTOR-REPORTED PAY RANGES FOR CENTER-BASED EARLY EDUCATORS, BY REGION

California, 2020



Teacher N = 972
Assistant Teacher N = 423
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Appendix 4: Regional Income and Wage Data

TABLE 4.1. MEDIAN ANNUAL INCOME OF FAMILY CHILD CARE PROVIDERS, BY REGION AND EDUCATION LEVEL

California, 2020

	Some college or less	Associate degree	Bachelor's degree or higher
Small and Large FCC Providers			
Northern	$24,000 to $35,900	$39,000 to $46,200 *	$19,600 to $27,100 *
Bay Area	$30,500 to $42,000	$30,500 to $42,000	$39,000 to $46,200
Central	$24,000 to $35,900	$25,300 to $38,400	$16,200 to $30,100
Southern	$21,500 to $30,200	$30,500 to $42,000	$30,500 to $42,000
Los Angeles	$27,700 to $35,900	$30,500 to $35,900	$30,500 to $42,000
Statewide	**$24,000 to $35,900**	**$30,500 to $42,000**	**$30,500 to $42,000**

FCC Provider N = 1,637

For family child care, providers are self-employed and may not quantify their wages on an hourly or monthly basis. To estimate their take-home pay, we multiply their annual household income in 2019 by the reported proportion earned through working in ECE. We do not adjust earnings based on hours worked. FCC estimates are CPI-adjusted to fall 2020, the time of the survey.

* Interpret with caution due to small sample size (n < 50).

Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 4.2. MEDIAN ANNUAL INCOME OF FAMILY CHILD CARE PROVIDERS, BY REGION AND PROGRAM FUNDING TYPE

California, 2020

	Head Start/Title 5	Voucher-subsidized	No public funding
Small and Large FCC Providers			
Northern	$39,200 to $46,200	$26,700 to $38,000	$19,600 to $35,000
Bay Area	$56,700 to $66,700	$39,200 to $47,400	$27,700 to $42,000
Central	$30,600 to $43,700	$26,700 to $38,000	$18,500 to $30,000
Southern	$27,700 to $38,800	$30,500 to $35,900	$21,500 to $35,900
Los Angeles	$46,200 to $56,400	$30,500 to $42,000	$24,000 to $35,900
Statewide	**$39,200 to $46,200**	**$30,500 to $42,000**	**$21,500 to $35,900**

FCC Provider N = 1,614
For family child care, providers are self-employed and may not quantify their wages on an hourly or monthly basis. To estimate their take-home pay, we multiply their annual household income in 2019 by the reported proportion earned through working in ECE. We do not adjust earnings based on hours worked. FCC estimates are CPI-adjusted to fall 2020, the time of the survey.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 4.3. MEDIAN HOURLY WAGES OF CENTER-BASED EARLY EDUCATORS, BY ROLE AND REGION

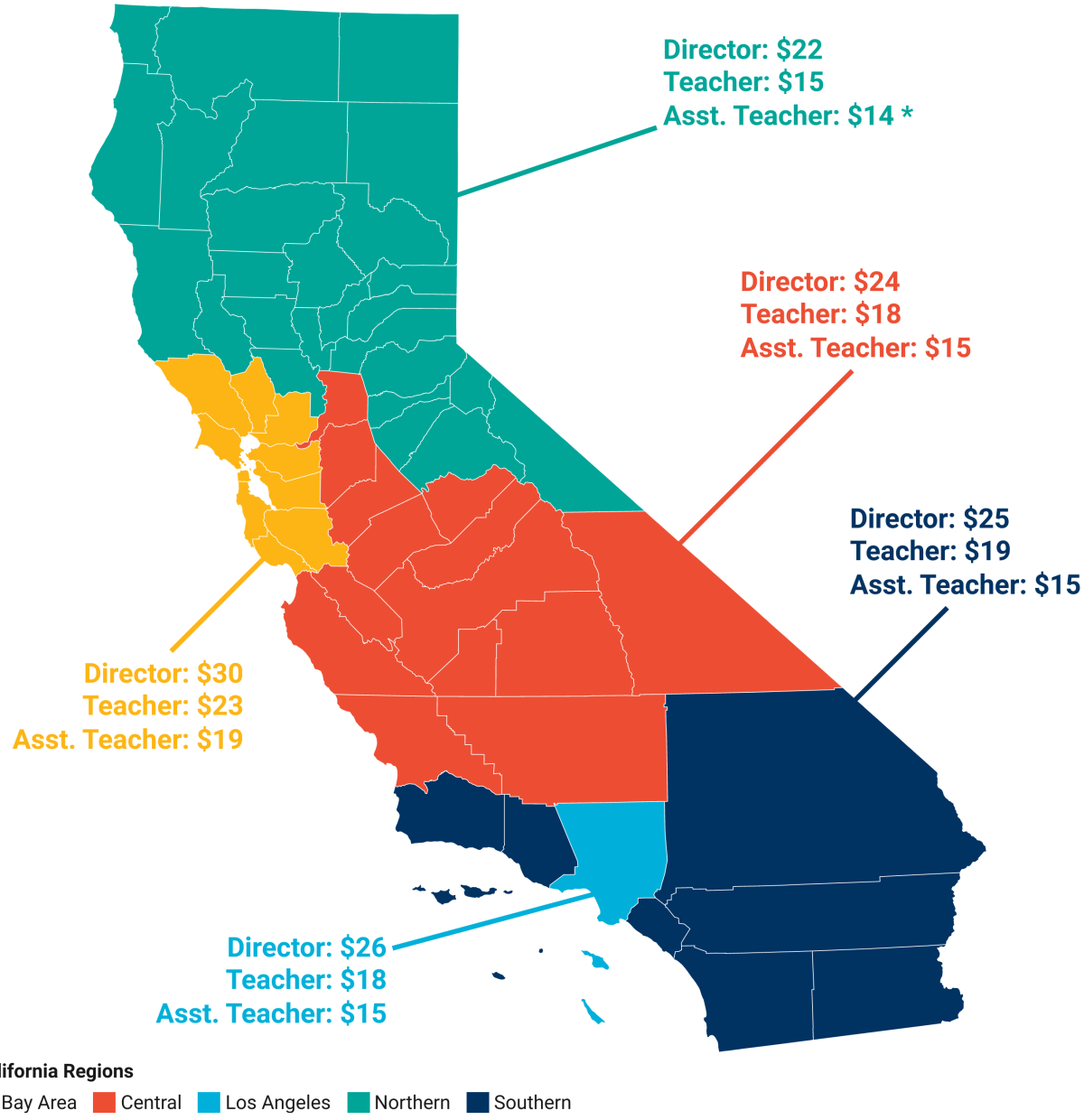
California, 2020

	Director	Teacher	Assistant Teacher
Northern	$21.63	$15.00	$13.41 *
Bay Area	$30.00	$22.02	$18.51
Central	$24.04	$17.31	$15.00
Southern	$25.48	$17.98	$15.00
Los Angeles	$25.96	$17.98	$15.14
Statewide	**$26.01**	**$18.99**	**$16.01**
N =	1,052	972	423

* Interpret with caution due to small sample size (n < 50).
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FIGURE 4.1. MAP OF MEDIAN HOURLY WAGES OF CENTER-BASED EARLY EDUCATORS, BY ROLE AND REGION

California, 2020



* Interpret with caution due to small sample size (n < 50).

Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 4.4. MEDIAN HOURLY WAGES OF CENTER-BASED EARLY EDUCATORS, BY ROLE, REGION, AND EDUCATION LEVEL

California, 2020

	Some college or less	Associate degree	Bachelor's degree or higher
Director			
Northern	$20.00 *	$20.00 *	$25.21
Bay Area	$27.89 *	$25.00 *	$32.71
Central	$19.00 *	$22.99 *	$28.03
Southern	$21.87 *	$22.53 *	$27.89
Los Angeles	$22.43 *	$21.78 *	$27.30
Statewide	**$22.00**	**$22.50**	**$28.74**
Teacher			
Northern	$14.00 *	$18.66 *	$19.49 *
Bay Area	$21.25 *	$21.00	$24.76
Central	$15.00 *	$17.60	$19.00
Southern	$17.00	$17.88	$20.00
Los Angeles	$16.32 *	$17.35 *	$20.00
Statewide	**$17.00**	**$18.20**	**$20.50**

Director N = 1,031
Teacher N = 970
* Interpret with caution due to small sample size (n < 50).
Assistant teachers are excluded due to small sample size within region and education level.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 4.5. MEDIAN HOURLY WAGES OF CENTER-BASED EARLY EDUCATORS, BY ROLE, REGION, AND PROGRAM FUNDING TYPE

California, 2020

	Head Start	Title 5	Voucher-subsidized	No public funding
Director				
Northern	$22.14 *	$25.86 *	$20.00 *	$20.69 *
Bay Area	$27.30 *	$32.18 *	$29.69	$32.00
Central	$24.90 *	$34.96 *	$20.11	$23.00
Southern	$27.89 *	$31.13 *	$23.95	$27.00
Los Angeles	$26.17 *	$28.74 *	$24.15	$25.00
Statewide	**$25.66**	**$30.37**	**$23.95**	**$27.01**
Teacher				
Northern	$18.57 *	$19.99 *	$13.50 *	$19.31 *
Bay Area	$21.50	$22.99	$22.99 *	$23.00
Central	$20.00	$22.00 *	$17.35 *	$16.00 *
Southern	$19.21	$21.27	$17.15	$17.83
Los Angeles	$21.24 *	$20.10	$20.26 *	$17.35
Statewide	**$20.00**	**$21.55**	**$18.39**	**$18.00**

Director N = 1,035
Teacher N = 973
* Interpret with caution due to small sample size (n < 50).
Assistant teachers are excluded due to small sample size within region and funding type.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Appendix 5: Regional Benefits Data

TABLE 5.1. FAMILY CHILD CARE PROVIDERS WITH HEALTH INSURANCE, RETIREMENT SAVINGS, AND PAID TIME OFF, BY PROGRAM SIZE AND REGION

California, 2020

	Health insurance, from any source	If insured, deductible $1000 or greater	Retirement savings, from any source	Paid time off*
Small FCC				
Northern	94%	41%	26%	59%
Bay Area	89%	40%	23%	52%
Central	89%	42%	13%	46%
Southern	87%	33%	18%	49%
Los Angeles	86%	23%	18%	35%
Statewide	**88%**	**36%**	**19%**	**48%**
N =	1,241	744	1,159	878
Large FCC				
Northern	81%	56%	27%	49%
Bay Area	90%	53%	36%	54%
Central	88%	38%	22%	56%
Southern	81%	39%	19%	49%
Los Angeles	89%	46%	22%	36%
Statewide	**87%**	**45%**	**25%**	**48%**
N =	1,022	685	967	814

* For family child care providers, the estimate reflects educators with paid days off in their contract with families.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 5.2. CENTER-BASED EARLY EDUCATORS WITH HEALTH INSURANCE, RETIREMENT SAVINGS, AND PAID TIME OFF, BY ROLE AND REGION

California, 2020

	Health insurance, from any source	If insured, deductible $1000 or greater	Retirement savings, from any source	Paid time off
Director				
Northern	93%	35%	45%	97%
Bay Area	97%	54%	62%	98%
Central	93%	39%	51%	98%
Southern	93%	31%	56%	97%
Los Angeles	90%	35%	46%	97%
Statewide	**93%**	**37%**	**53%**	**98%**
N =	1,604	1,207	1,510	1,562
Teacher				
Northern	89%	34%	39%	97%
Bay Area	96%	41%	57%	96%
Central	90%	36%	47%	95%
Southern	95%	36%	51%	95%
Los Angeles	90%	40%	46%	97%
Statewide	**93%**	**36%**	**50%**	**96%**
N =	1,305	810	1,177	1,251
Assistant Teacher				
Northern	94% *	24% *	37% *	98% *
Bay Area	97%	34%	44%	93%
Central	81%	43%	32%	88%
Southern	94%	13%	41%	92%
Los Angeles	90%	30%	36%	94%
Statewide	**91%**	**28%**	**39%**	**92%**
N =	572	303	502	535

* Interpret with caution due to small sample size (n<50).
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 5.3. FAMILY CHILD CARE PROVIDERS WITH HEALTH INSURANCE, BY REGION AND PROGRAM FUNDING TYPE

California, 2020

	Head Start/Title 5	Voucher-subsidized	No public funding
Small and Large FCC Providers			
Northern	71% *	94%	85%
Bay Area	87% *	89%	88%
Central	81%	89%	91%
Southern	85%	86%	84%
Los Angeles	88%	86%	88%
Statewide	**84%**	**88%**	**87%**

FCC Provider N = 2,087
* Interpret with caution due to small sample size (n < 50).
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 5.4. CENTER-BASED EARLY EDUCATORS WITH HEALTH INSURANCE, BY ROLE, REGION, AND PROGRAM FUNDING TYPE

California, 2020

	Head Start/Title 5	Voucher-subsidized	No public funding
Director			
Northern	97%	89% *	90% *
Bay Area	98%	99%	96%
Central	95%	93%	90%
Southern	98%	90%	92%
Los Angeles	95%	85%	91%
Statewide	**97%**	**91%**	**93%**
Teacher			
Northern	95%	79% *	93% *
Bay Area	95%	97%	95%
Central	95%	79% *	92% *
Southern	94%	96%	94%
Los Angeles	94%	95% *	86%
Statewide	**94%**	**92%**	**92%**

Director N = 1,604
Teacher N = 1,305
* Interpret with caution due to small sample size (n < 50).
Assistant Teachers are excluded due to small sample size within region and funding type.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 5.5. SOURCES OF HEALTHCARE COVERAGE FOR FAMILY CHILD CARE PROVIDERS, BY PROGRAM SIZE AND REGION

California, 2020

	Covered CA	Own Purchase	Medi-Cal	Medicare	Spouse/ Parent	Employer	Other
Small FCC							
Northern	25%	6%	23%	11%	39%	-	4%
Bay Area	25%	16%	12%	11%	37%	-	3%
Central	18%	5%	28%	8%	40%	-	5%
Southern	15%	9%	26%	9%	43%	-	3%
Los Angeles	23%	8%	25%	15%	30%	-	3%
Statewide	**20%**	**9%**	**23%**	**10%**	**39%**	**-**	**4%**
Large FCC							
Northern	23%	6%	26%	8%	39%	-	3%
Bay Area	26%	16%	9%	10%	45%	-	2%
Central	23%	14%	19%	4%	40%	-	1%
Southern	22%	11%	17%	12%	40%	-	4%
Los Angeles	33%	18%	13%	12%	26%	-	1%
Statewide	**26%**	**14%**	**15%**	**10%**	**38%**	**-**	**2%**

Small FCC N = 1,031
Large FCC N = 845
Rows may not sum to 100% due to some respondents with multiple sources of health coverage.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

TABLE 5.6. SOURCES OF HEALTHCARE COVERAGE FOR CENTER-BASED EARLY EDUCATORS, BY ROLE AND REGION

California, 2020

	Covered CA	Own Purchase	Medi-Cal	Medicare	Spouse/ Parent	Employer	Other
Director							
Northern	7%	10%	6%	5%	27%	49%	5%
Bay Area	7%	6%	2%	3%	27%	58%	2%
Central	6%	9%	3%	6%	30%	55%	0%
Southern	4%	9%	3%	6%	25%	57%	2%
Los Angeles	7%	10%	2%	7%	25%	53%	2%
Statewide	**6%**	**8%**	**3%**	**6%**	**27%**	**55%**	**2%**
Teacher							
Northern	4%	9%	27%	8%	24%	40%	3%
Bay Area	4%	4%	7%	1%	25%	61%	2%
Central	7%	8%	11%	5%	25%	50%	1%
Southern	6%	7%	10%	1%	21%	59%	1%
Los Angeles	4%	7%	6%	1%	24%	63%	2%
Statewide	**5%**	**7%**	**10%**	**2%**	**23%**	**58%**	**2%**
Assistant Teacher							
Northern	7% *	8% *	17% *	10% *	27% *	34% *	0% *
Bay Area	10%	3%	11%	0%	22%	56%	0%
Central	6%	6%	37%	3%	24%	29%	0%
Southern	2%	5%	22%	1%	23%	52%	2%
Los Angeles	10%	3%	21%	5%	19%	45%	2%
Statewide	**7%**	**4%**	**22%**	**2%**	**22%**	**47%**	**1%**

Director N = 1,460
Teacher N = 1,183
Assistant Teacher N = 505
Rows may not sum to 100% due to some respondents with multiple sources of health coverage.
* Interpret with caution due to small sample size (n < 50).
Source: Center for the Study of Child Care Employment, University of California, Berkeley

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Early Educator Compensation
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The Center for the Study of Child Care Employment (CSCCE) was founded in 1999 to focus on achieving comprehensive public investments that enable and reward the early childhood workforce to deliver high-quality care and education for all children. To achieve this goal, CSCCE conducts cutting-edge research and proposes policy solutions aimed at improving how our nation prepares, supports, and rewards the early care and education workforce to ensure young children's optimal development.

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