

Early Childhood Interagency  
Coordinating Council

Executive Summary  
of Report from

Quality Child Care Worthy Wage  
Task Force

May 21, 2004



**I. Executive Summary**  
**Quality Child Care/ Worthy Wage Task Force**  
**Early Childhood Interagency Coordinating Council**

**Introduction**

In September 2002, the Early Childhood Interagency Coordinating Council (ECICC) chartered a task force of its members to develop recommendations to the Governor and Legislature on ways the state can improve the quality of care and education for all young children and specifically to examine what wage initiatives might assist in that improvement.

**Work of Task Force**

The Quality Child Care/Worthy Wage Task Force met to examine Nebraska's current early care and education system, determine what elements would be essential for a quality early care and education system to exist in Nebraska, and examine what initiatives have been developed around the country to improve early care and education. The full report contains graphic representations of the task force vision for a quality early care and education system and the current status of the system in Nebraska. (See pages 6 and 8 in full report.)

**Three focus areas were selected to highlight: governance, public/private partnerships and economic impact, and worthy wage.** This report discusses recommendations related to those three areas.

**Timeline for Implementation:**

The Quality Child Care/Worthy Wage Task Force developed these recommendations believing that they could be acted upon in the near future. A supplemental wage compensation system is imperative to stabilizing and improving the quality of the early care and education system. Task force members recognized Nebraska could not realistically implement a full supplemental wage compensation system at this time. Incremental steps should be put in place to ensure the funding and public support for a wage compensation system could be implemented in the near future. (If the recommendations from the Public Awareness Task Force of the Early Childhood Interagency Coordinating Council are pursued that would help create that public support necessary for the supplemental wage compensation system.)

**Societal Factors that Demand the Need for Quality Early Childhood Services**

The National Economic Impacts Study (1) discussed the changes in parental participation in the workforce. Their findings were:

- Less than 15 percent of American families currently fit the traditional model of husband as wage-earner and wife as homemaker.

- Approximately, 15 percent of the almost one-third of children who are cared for by only one parent live with their father
- Nationally, father-headed families are the fastest growing of all family types.
- In 2000, 65 percent of women with children under age six; 72 percent of women with children aged three to five; 61 percent with children under age three; and 59 percent of women with children under age one were in the workforce, with most working full-time.
- Whether by choice or by need, women play a crucial role in financially supporting their families. Approximately 55 percent of working women are responsible for half or more of the household's income with almost 20 percent the sole family provider.

**Nebraska ranks second in both the nation and the region in women's labor force participation. Among Nebraska women with children under age 6, 70 percent are in the workforce. (2)**

## **A. Governance**

### **Current Investments in Early Childhood Nationally**

In the Voices for America's Children report, *Early Learning Left Out* (3),

- While 85% of a child's core brain structure is formed by age three, less than 4% of public investments on education and development have occurred by that time.
- On a per child basis, public investments in education and development are more than seven times greater during the school-aged years (\$5,410 per child) than during the early learning years (\$740 per child).
- On a per child basis, public investments in education and development are nearly five times greater during the college-aged years (\$3,664 per youth/young adult) than during the early learning years.
- This means that for every dollar society invests in the education and development of the school-aged child, society invests only 13.7 cents in that child during the earliest learning years—a major investment gap.
- State investments in education and development in the earliest learning years constitute a very small percentage of overall public expenditures, in many states less than 1%.

## **Role of Governance:**

Sharon Kagan reported in *Supporting Quality Early Childhood Care and Education: Addressing Compensation and Infrastructure*(4) that ideally the system of governance would:

- Coordinate all the individual elements of the infrastructure;
- Establish accountability mechanisms that assure the quality of care in every community, including appropriate assessment of child outcomes and staff competence;
- Engage in long-range planning across all early care and education programs.

## **Task Force Belief Statement Regarding Governance**

The Quality Child Care/Worthy Wage Task Force believes it is essential that Nebraska maintain effective and collaborative leadership for early care and education. The first recommendation is meant to ensure that “coordination of the infrastructure” and “accountability mechanisms” that Kagan talks about is in place. The Quality Child Care/Worthy Wage Task Force also believes it is important that the “long-range planning” across all early care and education programs is essential. The Task Force felt that the Together for Kids and Families strategic planning mechanism would be an important effort toward that “long range planning”. Additionally, the State Board of Education Policy Study on Early Childhood offers potentially useful information to utilize in planning for quality early childhood care and education services.

### **Recommendations related to Governance:**

1. Continued support from the Governor for a strong and effective leadership team with collaborative working relationships between the Nebraska Department of Education and Health and Human Services System related to the strategic planning and administration of early childhood services and support systems in Nebraska.
2. Recognition by the Governor of the Together for Kids and Families strategic planning effort as a comprehensive strategic planning effort for early childhood services and support systems in Nebraska. This initiative is funded by the U.S. Department of Health and Human Services and is a collaboration between HHS and NDE. The Together for Kids and Families strategic planning effort should be embraced as an important vehicle through which Nebraska will establish one “vision” for all young children.

3. Recognition by the Governor of the 2004-2005 Nebraska Early Childhood Policy Study as an important initiative for developing recommendations to inform future policy decisions by the State Board of Education and its policy partners. The study's leadership team and process will assure coordination of state level efforts through cross-representation of the early childhood field and schools, including the Early Childhood Interagency Coordinating Council, the Together for Kids and Families advisory team, HHS and NDE.

## **B. Public/Private Partnerships and Economic Impacts of Early Care and Education**

### **Economic Impact of Early Care and Education**

The National Economic Impacts of the Child Care Sector Study (1) published in 2002 found substantial contributions of the child care sector to the economy. The key findings were:

“Quality child care contributes to labor productivity in three primary ways, as follows:

- Increased labor force participation—both in terms of number of jobs and quantity of hours worked—by providing mothers and fathers the opportunity to engage in work outside the home. Child care enables parents to pay a portion of their income to providers in exchange for the opportunity to keep the remainder of their pay check.
- Higher income, by permitting parents to maintain job skills and continuous employment experience. Child care enables parents, particularly mothers, to keep their jobs longer, and reduce potentially wage and skill-reducing absences.
- Lower absenteeism and turn-over rates by providing parents with the peace of mind that their children are receiving responsible care....Child care contributes to a stable and consistent workforce.

The study indicates early care and education is a contributing economic force in communities and across the nation. Their findings:

- In 2001, Americans spent approximately \$38 billion a year on licensed child care programs, excluding care provided at unlicensed and informal facilities....the sector creates enough income to support approximately 2.8 million direct, indirect, and induced jobs, on which about one-third are in the child care industry itself. In addition, the sector generates almost \$9 billion in tax revenues.

- The licensed child care industry directly employs more Americans than public secondary schools, and is directly responsible for twice as many jobs as the farming sector.
- Child care provides an essential infrastructure which enable mothers and fathers to be employed outside the home, and earn necessary income. By making it possible for parents to work, the formal child care sector enable Americans to earn more than \$100 billion annually.
- The additional wages supported by the child care sector, in turn, have substantial impact on the national economy, engendering almost \$580 billion in total labor income, approximately \$69 billion in tax revenues, and supporting more than 15 million jobs.
- For every dollar spent on the formal child care sector alone generates \$15.25 in additional earnings by parents.

### **Public/Private Partnerships**

Several states have developed some strong partnerships between the public and private sector to improve the quality of early care and education. **Nebraska will need to develop intentional and thoughtful strategies in order to grow a high quality child care early care and education system to prepare the workforce for the future. Successful strategies will need to engage both the public and private sector.** Other states have demonstrated that there are economic incentives for the state, for businesses and corporations, and for working parents to increase investments in stable and high-quality early care and education programs.

### **Task Force Belief Statement Public Private Partnerships and Economic Impact of Early Care and Education**

The Quality Child Care/Worthy Wage Task Force believes it is important to advance Nebraska's efforts to have strong public/private partnerships addressing early childhood care and education. There has been significant past involvement from leaders in the private sector in the Governor's Business Council on Child Care Financing. The Greater Omaha Chamber of Commerce continues to play an active role in addressing quality child care in the Metropolitan Omaha area. Columbus leaders have also actively examined the quality of early care and education in that community. Further work must be done to make the case for the economic impacts of the child care industry and the need for private/corporate involvement in quality early care and education.

### **Recommendations related to Public/Private Partnerships and Economic Impact of Early Care and Education**

- 1) Establish a task force to conduct a Child Care Economic Impact Study using the Cornell Methodology. (5)
  - a) The task force should include representatives from the Department of Labor, Department of Economic Development, Department of Education, the Health and Human Services System, and the State Chamber of Commerce.
  - b) The study should include an examination of public/private partnerships that currently exist in Nebraska and provide best practice information on those successful partnerships.
- 2) Appoint representatives from the Department of Labor and the Department of Economic Development to the Early Childhood Interagency Coordinating Council.
- 3) Enact the tax credits for businesses related to child care (Nebraska Revised Statutes 77-27,222) earlier than 2007.
- 4) Provide a progress report on actions taken in response to the Governor's Business Council on Child Care Financing report. (6)
- 5) Develop private sector funding to support incentives for early childhood programs that have achieved accreditation.
- 6) Recruit representatives for the Governor's Business Council on Child Care Financing and other knowledgeable business leaders to educate other business leaders on the importance and value of investments in quality early childhood care and education.

## **C. Quality Child Care/Worthy Wage**

After initial research on quality early care and education initiatives, the Quality Child Care Worthy Wage Task Force elected to focus on two key efforts that would impact the quality of early care and education in Nebraska. The two focus areas are: development of an entry level credential for people to work in the early care and education field, and the development of, at a minimum, a salary model that recognizes education and longevity in the field. Ideally, the Quality Child Care Worthy Task Force believes a supplemental wage compensation system that provides wage incentives for those who work in the early care and education field should be developed and implemented.

### **Development of an Entry Level Credential**

States have become active in requiring that people working in early care and education have specialized training in order to work in a licensed early childhood program.

Role	Number of states
	Specialized Pre-Service Training Required
Child Care Teacher	20
Child Care Director	38
Small Family Child Care Home Provider	11
Large Family Child Care Home Director	12

*Source: Adapted from Staff Qualifications in Early Childhood Education 2003, National Association for the Education of Young Children, June 2003*

- Rhode Island requires teachers in child care centers to have a higher education degree.
- Two states, Indiana and Pennsylvania, require directors of child care centers to have a higher education degree.
- No states require family child care providers to have a higher education degree.
- All 50 states require a Kindergarten teacher to have a minimum of a bachelor's degree. (7)

Findings from the Midwest Child Care Research Consortium (8) show that providers who have 8 or more Child Care Assets are far more likely to provide good quality child care than those with fewer Assets, across four Midwestern States. (Nebraska was one of the four states that participated in the study.)

The Midwest Child Care Research Consortium encourages states to:

- *Increase Assets within the child care labor force to improve quality.*
- *Require all providers who receive federal child care subsidies to acquire 4 or more assets, including First Aid and CPR Certification.*
- *Move Quality statewide from the minimal to good range. Provide supports to providers can obtain 8 or more assets. As a state it will be necessary to invest in many types of assets to reach this goal.*

Some of the Assets that relate to establishing an entry level credential include:

- Completing an one year degree or more
- Completing a Child Development Associate certificate
- Completing 24 hours of child care-related training or more
- Completing CPR and First Aid within the past 2 years

- Completing a form of intense training (a multi-meeting program of training guided by curriculum, e.g. High/Scope, HeadsUp! Reading, Creative Curriculum training.)
- Attending a child care or early education regional, state, or national conference.

## **Task Force Belief Statement on Credentialing**

The Quality Child Care/Worthy Wage Task Force examined the variety of credentialing systems offered in the early childhood field. The task force believes that having a variety of recognized credentials in the early childhood system would help provide incentives for those people working in the field to pursue further professional development and education. The Midwest Child Care Research Consortium provides specific Assets that need to be considered as Nebraska moves forward with development of an entry level credential. The task force believes it is most important that more specific entry level knowledge requirements be developed and proposes establishment of an entry level credential as essential to assure minimum educational standards for those working in the early childhood field in Nebraska.

### **Recommendation related to Credentialing**

Develop an entry level credential with identified core competencies for early childhood teachers as a requirement to work in a licensed program. The entry level credential should be obtained within one year of beginning work in a child care program. The entry level credential should allow providers to complete a designated training/education program or an option for testing out of the program based upon a caregiver/teacher's current knowledge and expertise.

## **Developing a Salary Model or Supplemental Wage Compensation System**

### **Need to Improve Quality and Compensation in Early Childhood**

Steven Barnett in his March 2003 (9) publication reports research has demonstrated:

- Poor pay and scant benefits prevent preschool programs from hiring and keeping highly effective teachers.
- Inadequate teacher compensation lowers preschool program quality and leads to poorer cognitive, social, and emotional outcomes for children.
- Preschool teachers are poorly paid compared to all workers and especially so compared to professionals with similar qualifications.
- Public policies to improve teacher compensation together with higher standards and accountability can improve preschool program quality and child outcomes.
- State policies to encourage improvements in preschool teacher quality and reduce turnover are too poorly funded to produce large, widespread gains.

## **Making the Connection between Quality, Education and Compensation**

- Quality in child care centers around the country is often mediocre. For example, of more than 400 centers studied in four states, only 8% of infant classrooms and 24% of preschool classrooms were of good or excellent quality. Ten percent of preschool programs and 40% of infant programs were rated as having poor quality. (10)
- Research suggests that the education of staff is positively related to the quality of care. However, two recent studies found that only a small percentage of teachers in child care programs have a bachelor's degree or higher. (10)
- Child care center staff turnover is high, ranging from 25-50% a year. This means that centers are constantly orienting and training staff. (11)
- Child care center staff compensation, including wages and benefits is exceptionally low, with child care staff among the lower paid of all classes of workers in the US. (10)

The Midwest Child Care Research Consortium (12) findings indicate:

*In Nebraska and the Midwest, **early childhood professionals receiving higher compensation, including wages and benefits, provided higher observed quality of care.** Teachers receiving higher levels of compensation were more likely to provide positive developmental experiences for young children, such as activities promoting language and literacy, large and small motor (muscle) development, music, movement, and artistic expression, learning activities, and good social relationships. Such teachers were also more likely to be warm and nurturing, and provide a safe and healthy environment for young children.*

## **Task Force Belief Statement on Salary Model or Supplemental Wage Compensation System**

The Quality Child Care Worthy Wage Task Force believes that most current compensation for early care and education teachers falls short of the demands of the job and will not ensure quality care for young children. The average wage for an early care and education provider (child care provider) in Nebraska is \$7.65 (13) based on the December 2003 Nebraska Department of Labor information. The Midwest Research Consortium Study provides significant evidence that education and compensation have everything to do with the predictable quality of the program. Task Force members recognize that families are paying all that they can to provide for the care of their children and that additional funding support is needed to improve the quality of early care and education programs. The Quality Child Care Worthy Wage Task Force believes a salary model could help programs implement salaries that recognize both education and

longevity. The Task Force also believes that a supplemental wage program for early childhood teachers and caregivers is one of the better ways to improve the quality of early care and education in Nebraska.

**Recommendations for Salary Model and Supplemental Compensation System:**

- 1) Establish a voluntary, worthy wage model recognizing both years of service and level of education for staff in child care and early childhood education programs.
- 2) Implement a wage supplementation program based upon education and years of service that helps pay early care and education teachers' better wages.

**Summary**

If Nebraska pursues these recommendations they will:

- Understand the economic impact that early care and education makes;
- Understand the importance of building greater public will to support early care and education;
- Create a unified vision and strategic plan for advancing early care and education;
- Help communities and the public understand what wages should be offered to early care and education providers based upon their education and longevity in the field;
- Establish a strategy for implementing an initiative that supplements early care and education workers wages and recognizes their efforts to improve their education and their care for children.

The task force believes that all recommendations proposed are essential to improve the quality of early care and education for children in Nebraska.



## Resources

1. *The National Economic Impacts of the Child Care Sector*, A study by M. Cubed; Fall 2002, the National Child Care Association.
2. *Current Early Care and Education Services*, June 1999, Nebraska Department of Education and Health and Human Services System.
3. *Early Learning Left Out*, February 2004, Voices for Americas Children.
4. Kagan, Sharon L. et al; *Supporting Quality Early Care and Education: Addressing Compensation and Infrastructure*, Young Children, National Association for the Education of Young Children, May 2002.
5. Riberio, Rosaria et al; *Measuring the Regional Economic Importance of Early Care and Education: The Cornell Methodology Guide*; Linking Economic Development and Child Care Research Project, Cornell Cooperative Extension, January 2004.
6. *Nebraska's Child Care Challenge*; Governor's Business Council on Child Care Financing, November 1999.
7. *Preliminary Data on Staff Qualifications in Early Childhood Education 2003*, National Association for the Education of Young Children, June 2003.
8. *Policy Brief: Child Care Assets: What are 14 Key Assets of Child Care Providers that Support Quality?*, Midwest Child Care Research Consortium, 2004.
9. Barnett, W. Steven, *Low Wages=Low Quality: Solving the Real Preschool Teacher Crisis*, National Institute for Early Education Research, March 2003.
10. *Quality in Child Care Centers*, Early Childhood Research and Policy Brief, National Center for Early Development and Learning, Frank Porter Graham Child Development Center, Summer 1997.
11. Helburn, et al, *The Cost, Quality and Child Outcomes in Child Care Centers Study: Technical Report*, 1995, Denver, University of Colorado.
12. *Policy Brief: Compensation of Early Childhood Teachers: What Value Do We Place on Young Children*, Midwest Child Care Research Consortium, 2004.
13. *Labor Market Information from Nebraska Career Compass*, Nebraska Department of Labor, December 2003. [www.dol.state.ne.us/nwd/center](http://www.dol.state.ne.us/nwd/center).

## Appendix A

### Midwest Child Care Research Consortium Study

#### About the Study:

The Midwest Child Care Research Consortium conducted a study of child care quality and characteristics of the child care workforce in Nebraska, Iowa, Kansas, and Missouri to help states establish a baseline for tracking quality over time, following initiatives, policy and other changes. The measures are not based on Nebraska child care licensing standards. Rather using research-based measures of quality, they assess the extent to which quality indicators are present among the child care settings and in the workforce. The current study included 2022 Midwestern child care providers (508) from Nebraska, conducted during late spring and summer of 2001 by the Gallup Organization, and follow-up in-depth observations of 365 providers (85 from Nebraska), conducted by four Midwestern state universities.

*From Child Care Characteristics and Quality In Nebraska, Center on Children, Families and the Law, University of Nebraska-Lincoln and Department of Family and Consumer Sciences, University of Nebraska-Lincoln. June 13, 2002 Report.*