

# Child Care Providers: The Workforce Behind the Workforce in North Carolina

Child care staff support current employees and help build the labor force of tomorrow



## Acknowledgements

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The business leaders of ReadyNation in North Carolina recognize that high-quality early care and education (ECE) programs are a powerful way to give kids a strong start and help prepare them for success in school and life. Research shows that high-quality child care enhances children's cognitive, social, and emotional development. However, to achieve optimal results, programs *must* be high-quality. One of the most fundamental components of quality is highly-qualified early educators who are well-trained both before and during their service and who need to be adequately compensated. **Bolstering the early childhood workforce is an essential aspect of increasing child care supply and children's access. Without enough qualified teachers, there will be an inadequate supply of child care, rendering any other solutions moot.** North Carolina policymakers must address the needs of the child care workforce, to ensure that the system supports working parents today and helps build the workforce of tomorrow.

## Most Parents of Young Children Are Working and Need Child Care

In 2019 in North Carolina, there were approximately 733,000 children aged 5 and under, and 67 percent of these children had all available parents in the workforce.<sup>1</sup>

Many children are in child care while their parents work, including, in 2019, approximately 184,000 North Carolina children under age 6.<sup>2</sup> Parents need child care so that they can go to work, build successful careers, and support their families. To be productive at work, they also need to know that their child care program provides a safe, nurturing environment that supports their child's development and early learning.

However, the child care system does not meet the needs of many North Carolina families. Prior to the pandemic, nearly half (44 percent) of North Carolinians lived in a child care "desert," where there are at least three

children for every licensed child care slot.<sup>3</sup> North Carolina's rural and low-wealth counties have the worst shortages. The pandemic has likely exacerbated this supply problem.

When it is available, child care is often unaffordable: the cost of infant care in a center in North Carolina averages \$9,254 per year, more than the \$7,220 cost for public college tuition.<sup>4</sup> Infant care costs 11 percent of the median income of a married couple in North Carolina, while “affordable” care is defined as costing no more than seven percent of a family's income.<sup>5</sup> The high cost makes child care unaffordable for many families, particularly those with low incomes.

This lack of affordable child care harms working parents today by preventing them from being able to go to work with the necessary peace-of-mind to be focused, productive employees. A 2020 research report examining North Carolina's child care crisis described the dire economic consequences: a staggering annual cost of \$2.4 billion in lost earnings, productivity, and revenue.<sup>6</sup> COVID-19 increased these losses to \$2.9 billion.

## **Child Care Helps Build the Future Workforce**

Beyond its negative consequences for the current workforce, the crisis also hurts the workforce of the future by depriving children of the benefits that can come from high-quality child care. Studies demonstrate that the first few years of life represent a critical window of opportunity for laying a foundation for skills-building success.<sup>7</sup> During those years, more than one million neural connections form every second—a period of brain development unmatched by any other.<sup>8</sup> Young children depend on nurturing, stimulating environments, at home and in child care, for healthy brain development.

Research shows that high-quality child care enhances children's cognitive, social, and emotional development. For example, a longitudinal study of more than 1,300 children found that children in higher-quality child care were better prepared for school at age 4 compared to those in lower-quality child care. At age 15, they were still performing slightly above their peers and had significantly lower levels of behavior problems.<sup>9</sup> Such results matter to business leaders, as these data roughly cover the same technical and non-technical skill sets that employers seek in their hires.

A study of North Carolina's Smart Start and More at Four initiatives found that the children in counties that spent more per student were two months ahead in reading and 1.5 months ahead in math by fifth grade when compared with children in counties that spent less.<sup>10</sup> In addition, these results were maintained at least through eighth grade, with both programs leading to increased math and reading test scores.<sup>11</sup>

Child care providers can also help children develop healthy habits at a young age by serving nutritious meals and ensuring children get adequate exercise throughout the day.<sup>12</sup> Child care programs that emphasize healthy eating and physical activity can help reduce children's risk of obesity. A study of the Abecedarian ECE program found that girls who participated were less likely to become obese as adults, and boys had fewer risk factors for heart disease, stroke and diabetes.<sup>13</sup>

In sum, early childhood care and education programs can support the current workforce and help build the workforce of tomorrow. However, to achieve lasting results, programs *must* be high-quality.

## Teachers Are the Foundation of High-Quality Early Care and Education

The heart of any ECE program is the relationship between the teacher and the children.<sup>14</sup> Research indicates that a well-qualified workforce is an essential, fundamental component of high-quality ECE. Highly-qualified teachers engage in warm, nurturing interactions with the children to support their development in all areas. Excellent teachers also provide developmentally-appropriate instruction in pre-literacy, pre-math and other early academic skills.<sup>15</sup> To offer this high-quality experience, early childhood educators must be well-trained, both before they start teaching and once they are on the job through ongoing professional development.<sup>16</sup> Adequate compensation is also key to attracting and retaining top talent.<sup>17</sup> Retaining teachers is particularly important for young children, who need consistency in their relationships.

### Key Elements of a Highly-Qualified Early Childhood Education Workforce

**Education:** The level of education required for ECE teachers has been a matter of long-standing debate. Much research, including a comprehensive review of 48 studies by the Campbell Collaboration, has found that higher teacher education levels have a strong relationship to higher quality in ECE.<sup>18</sup>

**Professional development:** The research around ongoing, in-service training for early education teachers offers more clarity than that on pre-service education.<sup>19</sup> Studies show that effective professional development is:

- Classroom-focused: related to what teachers are actually teaching;
- Active: allows for hands-on practice of skills;

- Collaborative: with modelling and/or coaching of skills and feedback provided.

Unfortunately, despite the fairly consistent research, professional development for early childhood educators lacks consistency out in the field. Further, low compensation and long work hours are barriers to child care providers' participating in professional development.<sup>20</sup> Investments in professional development are lost when teachers leave their jobs, due to inadequate compensation.<sup>21</sup>

**Compensation:** Adequate compensation is required to attract and retain a high-quality early childhood workforce.<sup>22</sup> But early childhood teachers typically earn substantially less than kindergarten teachers. In North Carolina, the annual mean wage for child care teachers is \$24,600, compared to \$30,680 for pre-K teachers, and \$49,540 for kindergarten teachers.<sup>23</sup> Given the low wages in the field, almost 40 percent of ECE teachers in North Carolina reported they receive some amount of public assistance to meet the needs of their own families.<sup>24</sup> Low compensation was the top reason cited by North Carolina ECE teachers who left the field.<sup>25</sup>

### The Child Care Crisis Is Hindering North Carolina's Economic Recovery from COVID-19

The effects of the pandemic have transformed the existing child care crisis into a potential catastrophe that impacts working families and businesses in nearly every sector. Early in the pandemic (April 2020), 60 percent of child providers (of all types) nationwide were closed, at least temporarily.<sup>26</sup> Providers remaining open typically operated at reduced capacity or for fewer hours, reducing the supply of care.<sup>27</sup>

Over the course of the pandemic, the child care sector has lost one in six workers, for a

total of nearly 167,000 jobs lost nationwide.<sup>28</sup> This loss will further impair a sector that cannot meet the overwhelming demand for its services. Attention to the ECE workforce is especially critical since North Carolina providers are currently experiencing workforce shortages that are jeopardizing the number of children they can serve.<sup>29</sup>

## **The Path Forward for North Carolina**

North Carolina policymakers should continue to expand access to high-quality child care. Despite the known benefits for both parents' employment and children's development, too many North Carolina children still lack child care. Access is particularly problematic for children from families with low incomes; statewide there are more than 22,000 children on the waitlist for child care subsidies.<sup>30</sup>

Bolstering the early childhood workforce is an essential aspect of increasing child care supply and children's access. Without enough qualified teachers, there will be an inadequate supply of child care, rendering any other solutions (subsidies, etc.) moot. Policymakers should address each of the key elements of ECE workforce quality in a comprehensive strategy. This approach is essential because the elements are interrelated; for example, if compensation remains low, teachers will have neither the means nor the incentive to pursue intensive professional development. Similarly,

the type and amount of professional development required will vary depending on the level and quality of teacher pre-service education.

North Carolina has such a comprehensive approach,<sup>31</sup> but inadequate funding hinders its success. The state implemented the Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood Scholarship Program that provides scholarships to two- and four-year degree programs in early childhood education. Upon completion, T.E.A.C.H. participants receive a raise or bonus from their employers. The state also has a program, the Child Care WAGE\$ Project, that rewards increases in education with additional salary. Research on the WAGE\$ program demonstrates its benefits, particularly around increasing ECE teacher retention,<sup>32</sup> but it is currently not available to eligible teachers statewide. Multi-faceted strategies like these represent promising ways of building a well-qualified workforce, increasing ECE quality, and ultimately benefiting children, with enhanced experiences and improved learning. Policymakers must continue to invest in these and additional strategies to ensure that all early educators receive the professional compensation and support they need to provide high-quality early learning experiences for all children and parents who want and need it.

## **Conclusion**

High-quality early childhood care and education is essential for supporting working parents today and building the future labor force. However, this full potential will only be realized when all children whose parents want child care can attend quality programs with a highly-qualified workforce with adequate education, ongoing professional development and sufficient compensation.

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