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Professional Wages for Professional Educators:

Recommendations for Improving Early Childhood Workforce Compensation in Louisiana





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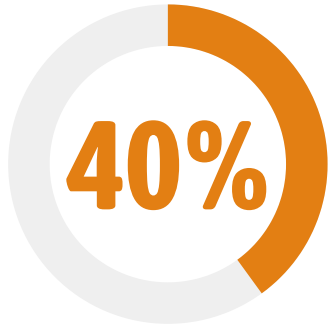
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HIGHLIGHTS



40% of child care teachers **leave the field each year**

\$19,785

Lead teachers in Louisiana child care centers earn an average yearly income of **\$19,785**



Higher wages in early care and education will **boost earnings across the economy**



Cost modeling shows that getting to a **competitive wage** for early education teachers would require an **increase of \$5,000 more per child on average using CCAP payment rates**

INTRODUCTION

A “Tiger Team” is a specialized, cross-functional team brought together to solve or investigate a specific problem or critical issue. The term "Tiger Team" was popularized by NASA, which assembled a skilled, technical team during the successful Apollo 13 lunar landing mission in 1970.

In order to respond to the ongoing compensation crisis within the early care and education sector, the Louisiana Policy Institute for Children convened several child care providers, industry consultants, advocacy groups, and representatives from state agencies to form a Tiger Team. The Louisiana Tiger Team’s goal was to examine the issues, develop provider-centered recommendations, and determine next steps for improving early care and education workforce compensation.

The Tiger Team met six times over the course of six months to develop a shared understanding of the current state of compensation in Louisiana’s early care and education sector. The Tiger Team examined efforts throughout the United States and found that many states and localities utilize the following [strategies](#) to improve early care and education workforce compensation:



Compensation Scales and Standards



Wage Stipends and Bonus Payments



Individual Tax Credits for Child Care Educators



ARPA Child Care Provider Stabilization Subgrants



Child Care Assistance



Benefits



Apprenticeships



Pre-K Parity for Child Care

After completing its review of work around the country, as well as current efforts in Louisiana to address compensation, the Tiger Team elected to focus on developing compensation scales for early care and education professionals.

The Tiger Team recommends that compensation for early care and education professionals reflect a **competitive wage** that allows an early education employee to cover basic expenses, including medical expenses, housing, transportation, food, and child care. The Tiger Team also includes strategic implementation options for the proposed compensation scales.

Organization of the Report

The report begins with background information on compensation and the state of the workforce in the early care and education sector. The next section details the economic impact and implications of improving compensation. The following sections outline the recommended early care and education workforce compensation scale and standards, as well as implementation options. The final section summarizes the report and recommendations for improving compensation for the early care and education workforce.

UNDERSTANDING THE EARLY CARE AND EDUCATION WORKFORCE COMPENSATION CRISIS

Compensation refers to both the pay and benefits that early care and education center employees receive for their work.

- **Pay** includes employee wages, bonuses, or stipends.
- **Benefits** can include health, vision, and dental insurance; paid time off; retirement plans; family or medical leave; tuition reimbursement; continuing education; and discounted child care.

The early care and education sector is the backbone of Louisiana's workforce and economy. Nearly [10,000 independent child care businesses](#) across the state employ [over 15,000 employees](#) and support tens of thousands of additional employees across all industries by caring for their young children allowing them to be productive students or members of the workforce.

Unfortunately, despite the enormous impact the early care and education sector has on young children and families, early care and education professionals are not competitively compensated in Louisiana, or the United States as a whole.

Regardless of the age they teach, early education teachers perform complex labor that calls for preparation and training and compensation commensurate with the professional contribution of the work. At minimum, lead teachers in centers participating in public programs are required to have the Early Childhood Ancillary Certificate (ECAC) – a teacher credential approved by the Board of Elementary and Secondary Education (BESE) and designed to streamline teacher knowledge and skills – within two years of being hired. Whether at the bachelor's degree level or another educational level, high-quality lead teacher preparation programs integrate pertinent coursework with the opportunity to apply theory and research to practice under the supervision of an experienced coach.

Most child care teachers in Louisiana do not receive benefits and earn a [median hourly wage](#) of \$9.13, just slightly higher than minimum wage. [Recent data](#) suggests that child care teachers earn less than half of what their school-based counterparts earn, and less than the federal poverty level for a family

of three in 2020. Many child care center owners [struggle to break even or operate at a loss](#) and therefore cannot afford to increase pay or offer employee benefits. Unlike K-12 schools, child care centers are not funded by Louisiana’s Minimum Foundation Program (MFP), a dedicated funding formula that calculates and provides sufficient funding to provide a minimum program of education necessary for future success for children in all public elementary and secondary schools.

Pay disparity also exists between early care and education teachers in Louisiana who work at Head Start and school-based pre-kindergarten programs compared to those who do not. The average salary for Head Start and pre-K teachers in Louisiana is approximately \$34,000 and \$40,000, respectively, compared to approximately \$20,000 for those in child care. In addition to working year-round – which is not the case for educators in Head Start and K-12 schools – research also shows that child care teachers work more hours weekly than school-based teachers despite the gaps in compensation. According to data from a [2018 Louisiana employment survey](#), lead teachers in child care earn an average yearly income of \$19,785. Nationally, early childhood care and education teachers make an average salary of \$25,510, which is significantly higher than the average yearly income for lead teachers in Louisiana.

The lack of competitive compensation results in high turnover rates for child care employees, who tend to leave the profession early making it difficult for Louisiana child care businesses to find and retain talent. The Louisiana Department of Education [Senate Resolution 29 report](#) found that high turnover rates are usual for jobs that pay little and have a lot of stress. [The U.S. Bureau of Labor Statistics](#) reports that the child care sector nationwide lost about 9.7% of its workforce – nearly 102,400 employees – between February 2020 (before the COVID-19 pandemic) and September 2022.

THE ECONOMIC BENEFITS OF INCREASED COMPENSATION

Increasing wages for early care and education professionals will do more than just add to each individual’s pocketbook. As noted in this [Louisiana Department of Education report](#), the prevalent low wages in early care and education contribute to staff turnover and “data suggest that [early care and education] teacher turnover decreases as pay increases.” When teacher turnover in early care and education settings remains high, the relationships between children and teachers are disrupted, which can negatively impact children’s development and quality of care. [Competitive wages can increase staff retention](#), which in turn support long-term quality improvements and directly benefit the young children in their care.

In addition to educational benefits for children, increased wages for early care and education staff translate to gains for the larger economy. When individuals earn higher wages they are more likely to increase their spending, [contributing to additional economic benefit](#) for the state and local communities. At its current pay rates, the early care and education industry generates approximately \$241 million in employee compensation and owner earnings, which supports an additional \$130.8 million in earnings across the state. Higher wages in early care and education will boost earnings across the economy. Further, research shows [raising incomes for low-wage workers prompts increased tax collections](#) along with the higher income for the worker.

STANDARDIZED COMPENSATION SCALES

Establishing compensation scales provide opportunities to standardize competitive pay for all staff involved in the delivery of high-quality early care and education services based on their role, qualifications, and experience level. Standardized scales also raise awareness of what compensation should be provided within the sector. The Tiger Team studied compensation scales and recommends that one prong of the strategy for Louisiana is the adoption and implementation of compensation scales as part of its competitive compensation strategy.

The Tiger Team identified four main employee groups within quality early care and education centers in Louisiana: teachers, directors, administration/leadership, and other non-instructional staff.

Teachers

Early care and education teachers are trained professionals who meet children’s basic needs (e.g. diapering and feeding), implement age-appropriate curriculum, and support children’s development. Depending on the child care setting, teachers may be required to hold certain certifications or complete specific training. This category includes any instructional position in the center, including teacher aides, mentor teachers, coaches, and curriculum specialists.

Directors

The director of a center is a credentialed early care and education professional who is responsible for the overall day-to-day operation, management, and administration of the center.

Administration/Leadership

Administration staff support the day-to-day operation, management, and administration of the center. Titles for this group vary, but common roles include site coordinator, office manager, assistant/associate director, finance director, operations manager, and administrative assistant.

Other Non-Instructional Staff

Other non-instructional staff are all other personnel essential to the day-to-day operations of an early care and education center. Titles for this group vary, but common roles include bookkeeper, kitchen manager, chef, and custodian.

Methodology & Guiding Principles

Compensation models from [several municipalities](#) were evaluated on feasibility, scalability, and structure in order to design a wage scale specifically for early childhood employees in Louisiana. The Tiger Team agreed on the following guiding principles for developing a early care and education compensation model:

- A **competitive wage** is essential for anyone working in early care and education
- **Experience** in the field is just as important as credentials
- **All full-time employees** are included in the compensation structure
- The recommended wage scale has to be significant enough for an employee to **maintain self-sufficiency without forcing enrollment in public benefit programs** (e.g., Medicaid/Medicare/CHIP, CCAP, Public Housing, SNAP)
- The scale is applicable to early care and education programs with **Type III licenses** (e.g., those who participate in publicly funded programs)

Based on the guiding principles, the Tiger Team used a [calculator developed by the Massachusetts Institute of Technology](#) to determine the baseline wage for an entry-level teacher in the early childhood field. The calculator accounts for typical expenses within a region and by state. The tool helps individuals, communities, and employers determine a local wage rate that allows residents to meet minimum standards of living. The starting wage selected by the Tiger Team is based on a household with two working parents and two children.

Recommended Wage Scales

The recommended wage scales are intended as a floor and not a ceiling to give providers a reference point when establishing wages within their center. Providers maintain the option to offer higher wages (and benefits) beyond what is included in the wage scales.

Teachers

The base wage for teachers is \$22 per hour, or \$45,760 annually, which is based on the [wage](#) necessary for a household with two working parents and two children. Since teachers may enter the profession without a credential, the baseline wage is for an educator with no credential and less than a year of experience. Wages increase from the baseline based on credential – 5% for a CDA, 7% for an associate degree, 8% for a bachelor’s degree, and 9% for a master’s degree or higher – and years of experience – 3% for each years of experience band.

Baseline Salary for Teachers with Less Than 1 Year of Experience

Baseline	No Credential	CDA	Associate	Bachelor’s	MA+
Hourly	\$22.00	\$23.10	\$23.54	\$23.76	\$23.98
Annually	\$45,760	\$48,048	\$48,963	\$49,421	\$49,878

Directors

The base wage for directors is \$25 per hour, or \$52,000 annually. Since directors at Type III centers must hold a credential, this baseline wage is for a director with at least a CDA and less than a year of experience as a director. Similar to the teacher wage scale, wages increase from the baseline based on credential – 7% for an associate degree, 8% for a bachelor’s degree, and 9% for a master’s degree or higher – and years of experience – 3% for each years of experience band.

Baseline Salary for Directors with Less Than 1 Year of Experience

Baseline	CDA	Associate	Bachelor’s	MA+
Hourly	\$25.00	\$26.75	\$27.00	\$27.25
Annually	\$52,000	\$55,640	\$56,160	\$56,680

Administration/Leadership

The base wage for administration and leadership roles is \$23 per hour, or \$47,840 annually. Because education/training/credential requirements vary for these roles, the wage scale is organized by salary bands for years of experience. Salary bands have a baseline, 15% increase marker, and 30% increase marker. Like the scales for other roles, the wages increase by 3% for each years of experience band.

Baseline Salary for Administration/Leadership Roles with Less Than 1 Year of Experience

	Baseline	15%	30%
Hourly	\$23.00	\$26.45	\$29.90
Annually	\$47,840	\$55,016	\$62,192

Other Non-Instructional Staff

The baseline wage for other non-instructional roles is \$20 per hour, or \$41,600 annually. Similar to administration/leadership roles, these roles have varying education/training/credential requirements and the wage scale is organized by salary bands for years of experience to accommodate this. Salary bands have a baseline, 15% increase marker, and 30% increase marker. The wages also increase by 3% for each years of experience band.

Baseline Salary for Other Non-Instructional Roles with Less Than 1 Year of Experience

	Baseline	15%	30%
Hourly	\$20.00	\$23.00	\$26.00
Annually	\$41,600	\$47,840	\$54,080

Total Costs or Investment Required

The total cost for utilizing these wage scales will depend on the implementation plan and strategy.

Based on cost modeling of a typical quality Type III center, replacing current salaries for teachers with those from the recommended wage scales, the per child annual cost at a typical center could range from around \$13,000 for 4-year-olds to over \$21,000 for infants.

Child Age	Recommended Wage Scales	Current CCAP Rates
Infants	\$21,372	\$17,680
1-Year-Olds	\$18,807	\$10,920
2-Year-Olds	\$15,876	\$10,920
3-Year-Olds	\$13,677	\$8,190
4-Year-Olds	\$13,211	\$8,190

IMPLEMENTATION STRATEGIES

In addition to the proposed compensation scales, the Tiger Team also recommends a robust implementation strategy focusing on Type III centers that participate in publicly funded programs. Providers indicated that this is an equitable approach for accepting a standardized compensation scale in exchange for public dollars. With this in mind, the Tiger Team notes that there are several options to consider when implementing compensation scales for the early care and education workforce, including: 1) administrative mechanism for fund distribution; 2) revenue sources; and 3) phase-in.

Mechanism for Fund Distribution

The fund distribution mechanism must properly balance administrative simplicity for the state and accountability for providers. To implement this balanced approach, first, **the state would transmit the funding directly to early care and education employers**. Second, the mechanism must include a **simple, non-burdensome process for providers** that includes an **accountability requirement**.

One example of a simple, non-burdensome, accountable administrative process is found in the recent Teacher Support Grant administered by the Louisiana Department of Education. Participating employers updated a monthly employee roster in order to calibrate payments, with follow up accountability and monitoring. This process resulted in timely payments to providers.

Revenue Sources

Additional public sector revenue is necessary to support implementation. Options to consider are:

- **Dedicating funding through a new revenue stream** to fund increased early care and education workforce compensation
- **Adding criteria** to the existing Early Childhood Education Fund
- **Allocating more resources** from the Child Care Development Block Grant (CCDBG) funding
- **Earmarking** state dollars to this purpose

Phase-In Options

The Tiger Team recommends implementation for all staff at all participating Type III centers, but recognizes that it may be necessary to have phased implementation. Louisiana can learn from how other states and localities distributed compensation funding to early care and education centers. Examples include:

- A **role-based option** is being used by [Washington, DC](#). The District of Columbia has set up a program to provide pay parity for all early childhood educators who work with young children birth to age 5 in Washington, DC. The early childhood educator **must** a) be currently employed in a child development facility licensed by the Office of the State Superintendent of Education since on or before May 16, 2022, and b) be employed as a teacher, assistant teacher, associate caregiver, expanded home caregiver, home caregiver, Montessori assistant teacher, or Montessori teacher. In the first phase of this program, these educators apply directly for a supplemental payment of up to \$14,000 through the [Early Childhood Educator Pay Equity Fund](#). Starting in Fiscal Year 2024, the payments will shift to distributing funds to child development facilities; facilities that accept funds will be required to pay eligible early childhood educators wages that reflect the recommendations of the Early Childhood Educator Equitable Compensation Task Force.
- A **child care assistance phase-in option** is being used by the city of San Francisco. According to the [San Francisco Department of Early Childhood](#), early care and education teachers in San Francisco can receive compensation funding based on the program type they are working in and the percentage of subsidy-eligible children being served. Those programs with the highest enrollments of subsidy-eligible children will receive the compensation enhancements first:
 - Green Tier: Centers and family child cares (FCCs) with subsidy-eligible children making up 50% or more of their enrollment
 - Blue Tier: Centers and FCCs with subsidy-eligible children making up between 20-49% of their enrollment
 - Orange Tier: Centers and FCCs with subsidy-eligible children making up to 19% of their enrollment
- A **quality rating approach** is being used by a new program in [Colorado](#) in conjunction with phase-in based on acceptance of children in the state's child care assistance program. Colorado's Early Childhood Teacher Salary Increase Pilot is using two factors to provide programs with entrance into the pilot: 1) a rating of Level 3, 4, or 5 in Colorado Shines (the state's QRIS), and 2) 40% of children enrolled in the program receive Colorado Child Care Assistance Program (CCCAP) subsidies. Colorado's approach determines wage increase for assistant teachers using the difference between the livable wage for one adult with no children and the average wage for an assistant teacher in the region. The wage increase for lead teachers will be 20% higher than the increase for assistant teachers. The wage increases will range from \$2.99 to \$7.58 per hour, depending on if a teacher is an assistant or lead and the livable wage in the region.

CONCLUSION

Although early care and education professionals have made outstanding improvements in the quality of care for children, there are still thousands of children without access to quality care and education due to high turnover rates, staffing shortages, and not enough individuals entering the profession. The low pay in early care and education is a significant factor in staff turnover, and [data](#) shows that increasing pay for early care and education teachers decreases teacher turnover. Competitive pay can boost employee retention and recruitment, which will encourage long-term quality improvements and directly benefit the young children in their care. Therefore, the standardized wage scale recommendations (see Section IV) made by the Tiger Team to increase state investments, specifically for improving compensation, should be adopted and implemented.