

MAKING THE CASE FOR WAGES\$



CHILD CARE
WAGES\$[®]
— An Early Years Initiative

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EARLYYEARSNC.ORG



INVESTING IN THE EARLY CHILDHOOD PROFESSION

There are millions of children in the United States under the age of five. Research makes it clear that children’s early experiences are critical for their cognitive, physical and social emotional development. It takes a qualified, educated, stable and effective educator to provide the types of experiences needed to build trust and promote learning.

Studies show that children who receive high-quality early childhood education (ECE) are more likely to graduate high school, pursue secondary education and contribute positively to their communities. Investing in early childhood education supports young children with high-quality learning environments and the educators working in the profession.

In 2015, the Institute of Medicine and National Research Council released *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. It is still nationally revered as the blueprint for workforce development. The report emphasized how important it is for young children to have strong, consistent relationships with adults who understand how to support their growth. Recognizing that many educators will need support to reach this goal, the report encourages states to create practical, multi-year pathways to help individuals and organizations meet this standard.

The report also noted that adults who support young children must themselves be supported. When educators are paid poorly, worry about bills and job instability, the stress can make it hard to focus on children and provide engaging learning experiences. The well-being of caregivers is certainly linked to their compensation and economic security. Early education remains an underpaid profession, despite the expectations for what teachers should know and be able to do.

Low wages and insufficient access to benefits like health insurance and retirement have stark consequences for early educators. Not only do early educators experience poverty more often than teachers of older children, but they also have greater food insecurity and higher participation rates in public safety net programs (McLean et al., 2024).



McLean, C., Austin, L. J. E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). *Early Childhood Workforce Index – 2024*. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/workforce-index-2024/>

WAGES AS AN EFFECTIVE MODEL

The Child Care WAGE\$® Program is a proven strategy to address the issue of low compensation in early education. For more than 30 years, WAGE\$ has offered salary supplements to educators based on their education level and continuity of employment at the same program. This evidence-informed, outcomes-driven strategy helps increase compensation, supports professional development and helps retain well-qualified educators in the field — ultimately improving program quality for young children. WAGE\$ can serve as a powerful tool for states looking to attract and retain a strong early childhood workforce.



Workforce compensation in early education is a challenge without dedicated public investment. Early childhood represents a classic case of market failure: child care programs rely heavily on parent fees to operate, but most families cannot afford to pay more. As a result, early educators often shoulder the financial burden themselves.

WAGES Provides:

- **Regular, data-informed** outcomes that address the enduring challenges that plague the early childhood field—high turnover, low compensation and insufficient teacher education.
- **Graduated incentives**, issued directly to recipients for time worked in the same early childhood facility.
- **Increased compensation** without increasing costs to parents.
- **Reduced financial stress** for early educators, allowing them to stay focused on teaching and learning in their classrooms.
- **Improved professionalism** and morale.
- **Ongoing support** for professional development.
- **A strategic model** that works in partnership with the TEACH Early Childhood® Scholarship Program.
- **Sustained guidance** and resources from the TEACH Early Childhood® National Center (National Center).



WAGE\$ AS AN EFFECTIVE WORKFORCE DEVELOPMENT STRATEGY

The National Center is a leader in the development and implementation of proven workforce strategies. High-quality, well-educated early childhood educators who stay in the field have a positive impact on the young children they teach, their families and the child care programs they serve. A stable early childhood workforce also supports broader economic stability by ensuring reliable care for working families.



Investing in early childhood professionals—through education, retention efforts and compensation—yields long-term benefits for communities, states and the nation as a whole.

What WAGE\$ Does:

- **Provides Direct Financial Support:** Increases compensation for early educators, with earnings reinvested in their local economies.
- **Improves Stability and Commitment:** Links financial incentives to continued service with the same employer, reducing turnover and supporting consistent care for children and families.
- **Reduces Hiring Costs:** By improving retention, WAGE\$ helps child care programs save on recruitment and onboarding expenses.
- **Promotes Long-Term Careers:** Makes early education a more appealing and sustainable profession.
- **Expands Access to Incentives:** Makes financial supplements available to eligible educators who meet clearly defined criteria, based on budget availability.
- **Improves Financial Security:** Participants are better able to meet personal and household expenses, allowing them to remain in a job they value.
- **Encourages Professional Growth:** Supports career advancement through ongoing education.
- **Strengthens Families:** Increased education and earnings improve recipients' ability to support their own children's learning and well-being.

BENEFITS OF BEING A WAGE\$ STATE

The National Center provides comprehensive support to states implementing the WAGE\$ model. States can use the National Center's competency-based tools and team of experts to ensure the successful implementation of a strategy to put much needed financial support directly into the hands of a deserving workforce.



The National Center:

- Provides presentations and technical assistance to explain the program and its benefits.
 - Helps states explore opportunities for implementing WAGE\$.
 - Supports stakeholders in identifying an administrative home for WAGE\$, and if necessary, participates in a bidders conference and the Request for Proposal process.
 - Provides templates of essential programmatic materials and training necessary for start-up and beyond.
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- Works closely with all WAGE\$ programs through a system of ongoing technical assistance and quality assurance to support operational policies and procedures that are consistent with the requirements of the program license agreement.
 - Helps states develop supplement and education scales that address the needs of their early childhood workforce. States have the opportunity to increase compensation levels with available funding.
 - Provides a detailed policy and operational manual to serve as the base for a state's WAGE\$ policy development.
 - Provides a data management tool for tracking outcomes and informing decisions.
 - Implements a schedule of training, monitoring and reporting to help support continuous improvement and goal attainment.
 - Helps states ensure accountability and strong outcomes.