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ABSTRACT

In 1988, the National Child Care Staffing Study first gathered information on staffing and quality from a sample of child care centers in five metropolitan areas--Atlanta, Boston, Detroit, Phoenix, and Seattle--and returned for updated information in 1992. In 1997, directors of the original sample of centers still in operation were contacted again in order to collect basic information on staffing and funding nine years after the first data collection. Findings included: (1) child care teaching staff continue to earn low wages, even in a sample of relatively high-quality centers; (2) approximately one-third of child care centers employ welfare Temporary Assistance for Needy Families (TANF) recipients, sometimes at less than the prevailing wage and often with limited training; (3) more child care centers received public dollars in 1997 than in 1988, allowing more of them to assist low-income families with child care costs, these dollars have not resulted in better wages or lower staff turnover; (4) child care centers continue to experience very high turnover of teaching staff, threatening their ability to offer good-quality, consistent services to children; (5) centers which paid better wages in 1997, as in 1988, experienced less teaching staff turnover--these are also the centers which were rated higher in quality in 1988; and (6) a substantial number of centers have improved their level of health coverage, especially for teachers, during a period of declining levels of coverage by U.S. employers as a whole--the majority of centers, however, still offer their teaching staff limited or no health insurance, despite heavy exposure to illness in child care employment. Recommendations based on these findings include increasing public funds for child care, targeted to quality and compensation; and reforming reimbursement rates. (Contains 15 references.) (EV)

WORTHY WORK, UNLIVABLE WAGES

THE NATIONAL CHILD CARE STAFFING STUDY, 1988-1997

Center for the Child Care Workforce

Washington, D.C.

WORTHY WORK, UNLIVABLE WAGES

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The Center for the Child Care Workforce (CCW) was founded in 1978 as the Child Care Employee Project, and was known as the National Center for the Early Childhood Work Force from 1994 to 1997. CCW is a nonprofit research, education and advocacy organization committed to improving child care quality by upgrading the compensation, working conditions and training of child care teachers and family child care providers. CCW coordinates two major efforts to promote leadership and career advancement for teachers and providers: the Worthy Wage Campaign and the Early Childhood Mentoring Alliance.

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INTRODUCTION

The cornerstone of child care that promotes healthy development is the presence of sensitive, consistent, well-trained and well-compensated caregivers. Children who attend higher-quality child care centers with lower staff turnover have been found to be more competent in their language and social development (Whitebook, Howes and Phillips, 1990).

A new update of the 1988 National Child Care Staffing Study (NCCSS), however, confirms previous concerns, stemming largely from the instability of the child care workforce, about the mediocre quality of center-based care available to young children and its detrimental impact on children's development.

Despite a major public investment in the U.S. child care system during the nine years of the study, job conditions in the profession remain substandard. Wages have stagnated at near-poverty level, despite above-average levels of education in this workforce. Child care centers report high levels of job turnover and serious difficulty in finding qualified teaching staff, leading to problems of inconsistent care, understaffing, and the strong potential for unsafe conditions for children. All the more troubling, these study findings come from a sample of above-average child care centers, a disproportionate number of the lower-quality centers in the original sample having closed since 1988.

The release of these latest NCCSS data comes at an opportune moment, as the White House and Congress prepare legislative proposals to address the issues of child care quality, affordability and staffing. While the nine-year study covers a period of increased public funding of child care, through the Child Care and Development Block Grant first enacted in 1990, these funds were only minimally targeted to improving child care quality, or to rewarding and retaining trained and qualified caregivers. As a result, our data show, these public funds have had little, if any, effect in stabilizing the child care workforce. Now, as the nation devotes major renewed attention to its child care system, it is critical to understand and use these study findings to make a much more directly targeted child care investment this time around.

The current pressures on the child care workforce are formidable—as are the pressures on parents, who cannot shoulder the heavy burden of child care costs alone. A serious teacher shortage in many elementary school districts,[1] as well as a healthy U.S. economy overall, are creating new incentives for the best-trained, most experienced child care workers to leave the field for better-paying careers. At the same time, as welfare reform rapidly increases the demand for child care services nationwide, nearly every state is encouraging former welfare recipients to become child care providers themselves—often without the necessary training or support which leads to quality care or decent child care jobs. In most cases, child care work is a highly unlikely avenue to economic independence for poor women coming off public assistance. And for more experienced and trained teachers and providers, such an influx of untrained, entry-level workers coming off the welfare rolls is likely to drive wages down and reduce opportunities for advancement even further (Weisbrot, 1997).

Although past child care efforts have largely focused on issues of access and supply rather than quality, we are now poised to take a new look at child care and to make a new kind of

[1] In California, for example, recent class-size reduction in the early primary grades has greatly increased opportunities for well-trained child care teachers and family child care providers to obtain better-paying elementary teaching jobs. President Clinton has now proposed a similar class-size reduction policy nationwide.

investment. Over the past decade, many program models have emerged as promising ways to address the problems of child care quality and workforce stability. These include:

- U.S. Army Child Development Services' Caregiver Personnel Pay Plan, which created a revamped training system linked to higher wages, leading to a major reduction in staff turnover and an increase in program quality system-wide;
- the Head Start Expansion and Quality Improvement Act, which since 1990 has devoted 25 percent of all new funds to the improvement of services, and half of those funds to increasing personnel compensation;
- T.E.A.C.H. Early Childhood, an educational scholarship and compensation program begun in North Carolina and now operating in several states, which has led to better pay and lower turnover for child care teaching staff;
- mentoring programs, which train and reward experienced, excellent caregivers for sharing their skills with newcomers to the field; and
- retention grants and salary supplements in Wisconsin and in selected counties of New York and North Carolina.[2]

The nation's challenge now is to make these and other creative program models more widely available throughout the country to child care workers and the children they care for—but without placing the cost burden solely on parents. The question before us is no longer whether most American children will attend a child care program at some time during their earliest years, but how nurturing, sound and enriching we want this child care to be. America depends on child care teachers and providers, and our future depends on valuing them.

PURPOSE OF THE STUDY

In 1988, the National Child Care Staffing Study first gathered information on staffing and quality from a sample of child care centers in five metropolitan areas—Atlanta, Boston, Detroit, Phoenix and Seattle—and returned to the study sites for updated information in 1992. In 1997, we again had the opportunity to contact the directors of the original sample of centers still in operation in order to collect basic information on staffing and funding nine years after the first data collection. The NCCSS offers a unique opportunity to look at the characteristics and stability of a segment of the child care workforce during a decade when significant new funding was infused into the US child care system. It also offers insight into the differences between centers that did and did not remain in operation during this period. There were two primary reasons for our decision to reexamine this sample of centers in 1997:

- The growing urgency of the nation's child care dilemmas compelled us to find out what kinds of changes, for better or worse, are taking place in this particular sample of child care centers, and to examine current trends in such quality-related matters as staff compensation, staff turnover and center accreditation. We were especially eager to learn what impact, if any, the increases in federal child care funding since 1988, including the Child Care and Development Block Grant, had made on our original sample of centers.

[2] For more information on these and other initiatives, see *Making Work Pay in the Child Care Industry: Promising Practices for Improving Compensation*. Washington, D.C.: Center for the Child Care Workforce, 1997.

- At present, no research has followed a sample of child care programs over time to assess multi-year trends in the quality of care, and other past studies have been difficult to compare because of disparities in research methods. The ongoing availability of the Staffing Study sample, therefore, is a rare opportunity to establish a longer-term body of knowledge than has been available before. Updated information can also serve to guide future research and the development of new child care policies and initiatives.

HIGHLIGHTS OF 1997 FINDINGS

Child care teaching staff continue to earn unacceptably low wages, even in a sample of relatively high-quality centers.

- Real wages for most child care teaching staff have remained stagnant over the past decade. Teachers at the lowest-paid level earn an average of $7.50 per hour or $13,125 per year. Teaching assistants at the lowest-paid level earn an average of $6.00 per hour or $10,500 per year, and $7.00 per hour or $12,250 per year at the highest-paid level. (Figures are based on a 35-hour week and 50-week year.)[3]

- Real wages for the highest-paid teachers within child care centers, who constitute a small segment of the overall child care workforce, average $10.85 per hour or $18,988 per year. This translates to a very modest improvement over the past decade of approximately $1.32 per hour.

Approximately one third of child care centers (35 percent) employ welfare (TANF) recipients, sometimes at less than the prevailing wage and often with limited training.

- Centers employing TANF recipients are more likely to pay lower wages across all positions, and to experience higher teaching staff turnover.

- Eighty percent of for-profit chain centers, 40 percent of independent nonprofit centers, 30 percent of church-sponsored centers, and 20 percent of independent for-profit centers currently employ Temporary Assistance for Needy Families (TANF) recipients.

- Only 16 percent of programs currently offer TANF recipients college-credit-bearing training, which is nearly always required by the better-paying child care jobs that offer the best hope of achieving economic independence.

More child care centers received public dollars in 1997 than in 1988, allowing more of them to assist low-income families with child care costs. But because this increased public funding for child care was rarely targeted to quality improvements or increased compensation, these dollars have not resulted in better wages or lower staff turnover.

- Centers paying the lowest wages are experiencing the greatest increase in public subsidies. For-profit chain centers have experienced a threefold increase in revenue from public subsidies over the past decade, and independent for-profit centers have seen such revenue double. Independent nonprofit centers, by contrast, experienced a four-percent decrease in revenue from public subsidies, and

[3] All dollar amounts used in this report are 1997 dollars, thus adjusting for the impact of inflation.

church-sponsored programs received a modest four-percent increase.

Child care centers continue to experience very high turnover of teaching staff, threatening their ability to offer good-quality, consistent services to children.

- More than a quarter of child care teachers (27 percent) and 39 percent of assistants left their jobs during the past year—for an average turnover rate of 31 percent for all staff—at a time when the demand for their services has grown dramatically.
- One-fifth of centers reported losing half or more of their teaching staff during the past year.
- Only 14 percent of child care teachers have remained on the job in the same center over the past decade, and only 32 percent have been employed in their centers for five years or more.
- Independent nonprofit centers are more likely to retain their teaching staff than are other types of programs, particularly those run by for-profit chains. Thirty-nine percent of teaching staff in the independent nonprofits have been employed in their centers for five years or more, compared to 20 percent in the for-profit chains and 29 percent in independent for-profit and church programs. These turnover figures are related to the significantly higher average salaries paid by independent nonprofit vs. for-profit chain centers.

Centers which paid better wages in 1997, as in 1988, experienced less teaching staff turnover. These are also the centers which were rated higher in quality in 1988.

- Centers which are accredited by the National Association for the Education of Young Children (NAEYC) pay higher wages to teaching staff, report lower teacher turnover for the past year, and have retained twice as many staff over ten years.
- Centers that have remained in business over the nine-year span of the study pay higher wages, employ more college-educated staff, and report lower staff turnover than did centers that have ceased operation. Preschool classrooms in centers that remained open were rated higher in quality in the initial study.

A substantial number of centers have improved their level of health coverage, especially for teachers, during a period of declining levels of coverage by U.S. employers as a whole. The majority of centers, however, still offer their teaching staff limited or no health insurance, despite heavy exposure to illness in child care employment.

- Twenty percent of centers offer fully-paid health coverage to teachers only, and 21 percent of centers offer fully-paid health coverage to teachers and assistants. Of those centers, fewer than 23 percent provide dependent health coverage.

RECOMMENDATIONS

The best long-term solution to the problems identified in this study is a well-targeted new investment of public funding to ease the child care burden on parents and caregivers alike—and the mobilization of a well-informed American public that is ready to support this investment. Such a solution will be costly, and yet we must recognize that the status quo carries an even higher cost, in continuing to place the healthy development of young children at serious risk.

The answer is not simply to grow more programs, but rather, as Military Child Care and Head Start have shown, to foster higher-quality programs staffed by better-trained and better-paid adults. Nor is the answer to shift the burden onto consumers, but instead, to address at once the twin needs of improved workforce compensation and of greater affordability of services for parents. Our recommendations fall into four categories:

- ***An increase in public funds for child care, targeted to quality and compensation.*** Any federal child care legislation should include specific language on targeting funds for child care workforce compensation. As was done in the Head Start Expansion and Quality Improvement Act, at least 25 percent of new child care funds should be targeted to improving the quality of services, and at least half of that amount should go directly to raising child care teacher and family child care provider salaries.

- ***Linkages between training and financial reward.*** Public funding for child care professional development and teacher credentialling programs should be linked to concrete rewards, such as wage supplements or "retention grants," for teachers and providers who pursue further training and education. Without this linkage, such programs will continue to spend an undue proportion of funds on constantly re-training new groups of caregivers, as the best-trained personnel continue to leave the field for better opportunities elsewhere.

- ***Reimbursement rate reform.*** Public reimbursements of child care programs fall far short of covering the true cost of providing quality care; at present, many states pay less than the going market rate. States receiving federal child care funds should be required to pay programs no less than the current market rate, and experimental efforts should encourage differential rates to programs based on such quality indicators as higher wages, low staff turnover, higher educational attainment of teaching staff, and center accreditation.

- ***Stronger standards tied to public funding.*** All child care programs receiving public funds should be required to demonstrate a commitment to the education, training, financial reward and job stability of their teaching personnel—the key element of program quality.

SAMPLE AND METHODS

The sample for this update consisted of child care centers, first assessed as part of the National Child Care Staffing Study in 1988, which were still in operation in the fall of 1997. The 227 centers in the original sample were located in the metropolitan areas of Atlanta, Boston, Detroit, Phoenix and Seattle. These sites were deliberately selected because they represented diverse elements present in

THE NATIONAL CHILD CARE STAFFING STUDY, 1988

Highlights of Major Findings from the Original Study

The quality of services provided by most centers is barely adequate. Better-quality centers have:

- higher wages
- better adult work environments
- lower teaching staff turnover
- better educated and trained staff
- more teachers caring for fewer children.

Better-quality centers are more likely to be:

- operated on a nonprofit basis
- accredited by the National Association for the Education of Young Children
- located in states with higher quality standards.

Children attending lower-quality centers and centers with more staff turnover are less competent in language and social development.

- Staff turnover nearly tripled from 15 percent in 1977 to 41 percent in 1988.
- The most important determinant of staff turnover among the adult work environment variables is staff wages. Teaching staff earning the lowest wages are twice as likely to leave their jobs as those earning the highest wages.

The education of child care teaching staff and the arrangement of their work environment are essential determinants of the quality of services children receive.

- Teaching staff provide more sensitive and appropriate caregiving if they complete more years of formal education, receive early childhood training at the college level, earn higher wages and better benefits, and work in centers devoting a higher percentage of the operating budget to teaching personnel.
- In 1988, child care teaching staff earned less than half as much as comparably educated women and less than one-third as much as comparably educated men in the civilian labor force. Real child care staff wages (adjusted for inflation) decreased more than 20 percent between 1977 and 1988.

center-based child care throughout the country. The sites varied along several dimensions including geographic region, the level of quality required by state child care regulations, relative distribution of for-profit and nonprofit child care centers, and the attention accorded child care staffing issues in state and local policy initiatives. Three of the sites—Atlanta, Detroit and Seattle—had participated in the Cost Effects Study of the National Day Care Study (Ruopp, Travers, Glantz and Coelen, 1979), which enabled us to compare the quality of center-based care in 1977 and 1988.

All centers provided full-day care, year-round, and were licensed by the state. They were located in low-, middle-, and high-income, urban and suburban neighborhoods, in proportion to the total numbers of centers in these sub-areas in each study site at that time. Screening interviews with participating and non-participating centers suggested that the 227 centers in the original sample were of somewhat higher quality than those that declined to participate.

The 1997 sample consisted of 158 centers providing full-day care that were still in operation and willing to participate in a follow-up interview, constituting 70 percent of the original sample. Seven centers still in operation did not participate. The remaining 62 centers had closed. Over half (53 percent) of those 62 centers had already closed when we conducted a 1992 follow-up, *The National Child Care Staffing Study Revisited.* There were no significant differences by income level or neighborhood among centers that closed between 1988 and 1997. There were also no significant differences by site in sample attrition, although the range of closures varied from a low of 18 percent in Boston to 28 percent in Atlanta, 33 percent in Seattle, 36 percent in Detroit and a high of 44 percent in Phoenix. In the original sample, Boston centers were rated highest in quality and Phoenix centers were rated lowest.

This differential rate of center closures by site has important implications for the 1997 sample. Specifically, as discussed below, for-profit centers were much more likely to have closed since 1988, leaving a disproportionately high share of nonprofit centers, which had previously been found to provide higher-quality care.[4] As a result, in all likelihood, the current sample represents a higher-quality pool than did the original 1988 sample, and thus is not representative of the range of quality seen either in the five study-site communities or across the United States. We did not attempt to assess new centers that may have opened in the study sites since 1988, and thus cannot draw conclusions about trends in the current overall supply of center-based care.

All 1997 data were gathered through telephone interviews with center directors, and did not involve the extensive classroom observations, staff interviews or child assessments conducted in 1988. As such, the present study is a modest re-examination of the original sample of child care centers, rather than the full-scale study which is still needed. The interviews provided information about staff compensation and stability, current hiring practices including the use of TANF recipients as child care teaching staff, National Association for the Education of Young Children accreditation, and sources of center revenue. Specifically, we were able to ascertain shifts in the appropriation of public funding and the number of centers serving publicly-subsidized families. We also gained insight into the differences between centers that did and did not remain in operation during this period. There was a high response rate of 90 percent or greater for all questions. Unless otherwise noted, all findings reported here are statistically significant at $p<.05$ or better.

[4] Classroom quality was assessed and rated in the original 1988 study, using observations of overall quality, classroom structure, and interactions between teaching staff and children.

TABLE 1:

TRENDS IN HOURLY WAGES FOR CENTER-BASED CHILD CARE STAFF

STAFF POSITION	1988 WAGE	1992 WAGE	1997 WAGE	REAL CHANGE BETWEEN 1992 AND 1997	REAL CHANGE BETWEEN 1988 AND 1997
Lowest-Paid Assistant	$5.99	$5.91	$6.00	1.5% increase	0.17% increase, or $0.01 per hour
Highest-Paid Assistant	$6.96	$7.03	$7.00	0.43% decrease	0.57% increase, or $0.04 per hour
Lowest-Paid Teacher	$7.38	$7.55	$7.50	0.66% decrease	1.6% increase, or $0.12 per hour
Highest-Paid Teacher	$9.53	$10.33	$10.85	5% increase	13.9% increase, or $1.32 per hour

Note: All wages, and the 1988-1997 trends, are in 1997 dollars. Each category reflects average wages for the position.

FINDINGS

Demographic Characteristics of Centers

On average, centers employed eight teachers and eight assistants in 1997, as they did in 1988. The 158 centers that participated in the 1997 update, however, differed in one important respect from the 227 centers in the original study. For-profit centers (41 percent) were more likely to have closed than were nonprofit centers (23 percent). In addition, six of the seven centers that refused to participate in the 1997 update were operated on an independent for-profit basis. As a result, the percentage of for-profit centers declined from 47 percent in the original sample to 40 percent of the current sample. Since we did not study newly-opened centers, these percentages should not be misinterpreted as indicating a trend in the auspices of center-based care. On the contrary, there is a strong indication that for-profit centers are the fastest-growing segment of the center-based child care industry (Neugebauer, 1997). For-profit programs may be less stable, however, with more openings and closures than are found among nonprofit programs.

Comparisons Between Centers that Closed and Remained Open

Over one quarter (27 percent) of the centers studied in 1988 had closed by 1997. By reviewing the 1988 data, we have drawn comparisons between these centers and those that have remained open.

Centers operating on a for-profit basis were more likely to have closed. Compared to centers that remained in operation, centers that were closed in 1997 had paid lower wages to teach-

TABLE 2:

1997 AVERAGE HOURLY WAGES BY AUSPICE AND ACCREDITATION

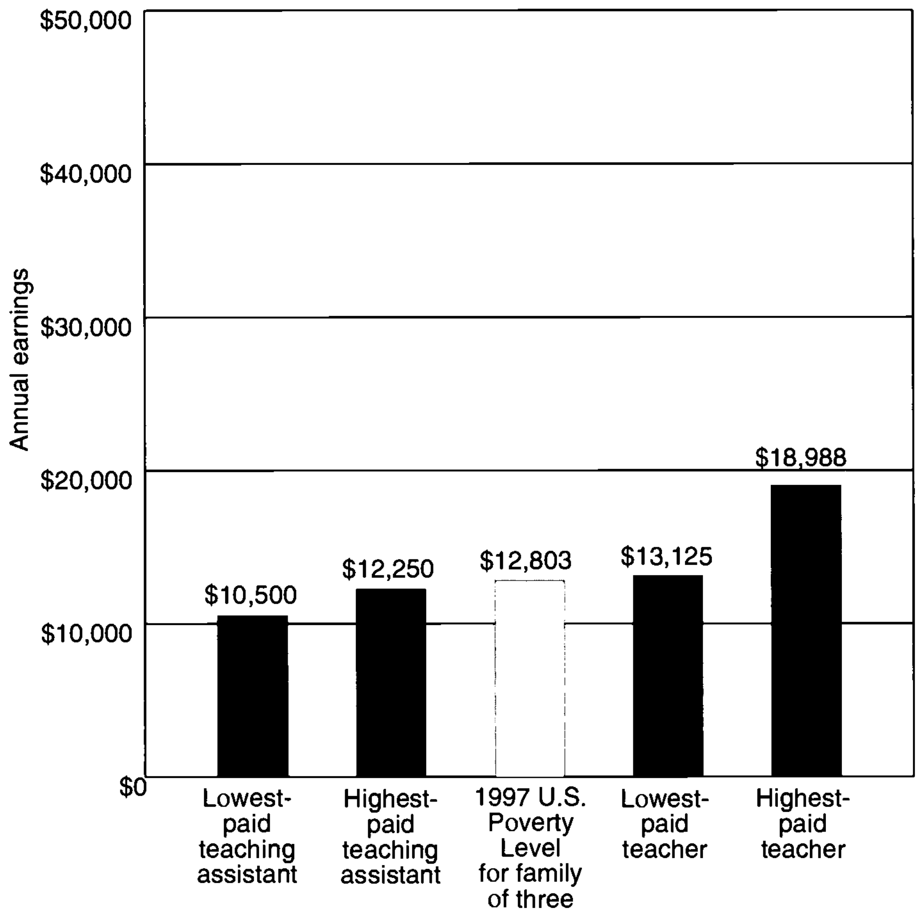
PROGRAM TYPE	LOWEST-PAID ASSISTANT	HIGHEST-PAID ASSISTANT	LOWEST-PAID TEACHER	HIGHEST-PAID TEACHER
Independent For-Profit	$6.06	$7.62	$7.36	$11.19
For-Profit Chain	$5.46	$6.21	$5.52	$7.16
Independent Nonprofit	$6.62	$7.79	$8.65	$12.27
Church-related Nonprofit	$6.17	$7.18	$7.62	$10.59
Not NAEYC-Accredited	$6.20	$7.34	$7.64	$10.73
NAEYC-Accredited	$6.79	$8.52	$8.97	$14.35

ing staff and had reported higher levels of staff turnover (54 versus 38 percent) in 1988. The educational background and stability of teaching staff also varied between centers that remained in operation and those that had closed. Centers that remained in operation employed more teachers with college-level education and training; only 28 percent of teaching staff in centers that remained open had been on the job for a year or less, compared to forty-one percent of teaching staff in centers that had closed. Preschool classrooms in centers that remained open were rated higher in quality than in those that had closed. There were no differences found between the two groups, however, in the quality of classrooms serving infants and toddlers.

We do not have precise information about the reasons why certain centers ceased operation. The findings reported above suggest that quality plays a role in whether centers remain in business. The 1988 data established the relationship between the adult work environment—including wages, staff stability, and teacher qualifications and performance—and the quality of care and outcomes for children. These data also suggest that low wages and concomitant high turnover impinge on centers as successful business enterprises. From the available data, it is difficult to determine whether the challenge of maintaining a fully-staffed program discourages owners from remaining in business, and/or whether parents decline to use a program with relatively unstable and unskilled teaching staff. We cannot conclude that the quality of center-based care in these communities has improved, however, because we do not have data on new centers that have opened in each site since 1988.

FIGURE 1:

AVERAGE ANNUAL EARNINGS OF CHILD CARE TEACHING STAFF, 1997



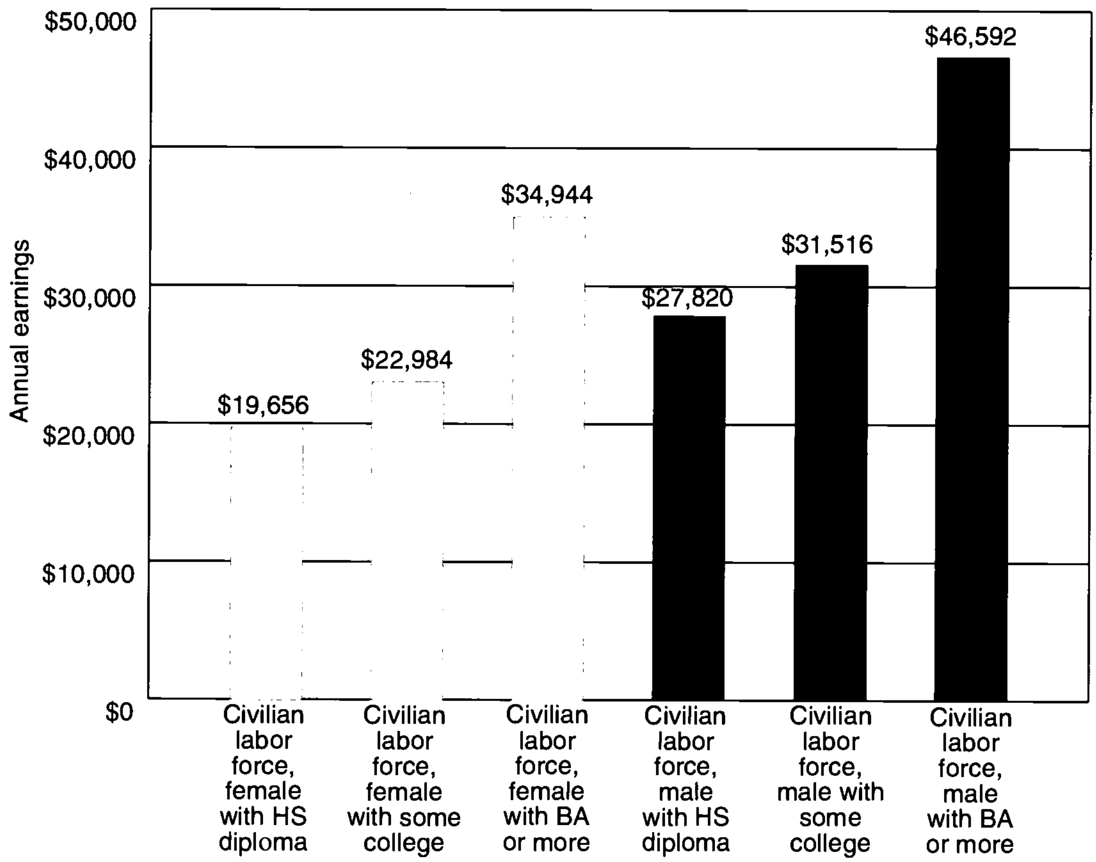
Note: Full-time annual earnings based on 35 hours per week/50 weeks per year—the average work week of teaching staff in the original sample. In the original sample, 34% of all teaching staff had completed some college education and 22% had completed a BA or more. We do not have comparable data for 1997. and thus cannot determine the extent to which the educational background of providers has changed in the last decade. Source for poverty level figure: U.S. Census Bureau.

Compensation

The National Child Care Staffing Study found an average hourly wage in 1988 of $5.35 for classroom teaching staff, which results in an annual income of $9,363 for full-time employment (defined as 35 hours per week, 50 weeks per year). A majority of teaching staff in the sample earned less than $5.00 per hour. These salary findings were based on actual earnings reported by the 1,309 participating teachers and assistants in 1988.

FIGURE 2:

AVERAGE ANNUAL EARNINGS OF CIVILIAN LABOR FORCE, 1997



Note: Full-time annual earnings based on 35 hours or more per year. All wages are 1997 dollars. Includes workers 18 years and older (U.S. Department of Labor, 1997). Ninety-seven percent of teaching staff in center-based care are female (Whitebook, Howes and Phillips, 1990).

In 1997, as in the 1992 update, all salary data were provided by center directors, who were asked to report four actual salaries: those of the highest- and lowest-paid teacher and assistant teacher in their programs. Directors also reported these four salary figures in 1988, but at that time, directors reported higher wages for individual teaching staff than did the teachers and assistants themselves. Thus, the comparison between 1988, 1992 and 1997 reflect changes in the highest and lowest wages paid to teaching staff as reported by directors, rather than by teachers themselves.

In 1997, child care teaching staff wages remained at subsistence levels. (See Table 1 for hourly wages by job title, and Figure 1 for annual salaries by job title.) A large proportion of

TABLE 3:

CHANGE IN SOURCES OF CENTER REVENUE, 1988-1997

PROGRAM TYPE	INCOME FROM PUBLIC FUNDS	INCOME FROM PARENT FEES
Independent For-Profit	+10%	-9%
For-Profit Chain	+17%	-9%
Independent Nonprofit	-4%	-2%
Church-Related Nonprofit	+4%	-3%

teaching staff earn barely more than the current minimum wage of $5.15 per hour. Nearly one quarter of centers (24 percent) pay $6.00 or less to their lowest-paid teachers, and over half of centers (54 percent) pay their highest-paid assistants $6.00 or less. In most urban areas, a wage of $8.00 per hour is necessary for a single adult to attain self-sufficiency; for an adult with one child, the family-sufficiency wage ranges from $10.00 to $13.00 per hour depending on the age of the child (Wider Opportunities for Women, 1997). In the 1988 sample, nearly half of all teaching staff had dependent children. (See Figure 2 for comparative information on other members of the U.S. civilian labor force.)

Although there have been modest increases in real wages for the highest-paid teachers, this group constitutes a small portion of the center-based teaching staff. In 1988, for example, only one of four teachers in the participating centers (and virtually no assistants) earned this highest level of salary. Moreover, as a result of the very low baseline salaries of even the highest-paid teachers ($6.88 in 1988), the 13-percent increase amounts to a total of $1.32 per hour, in inflated dollars, over the course of ten years. (See Table 1.) For the remainder of teaching staff, wages, when adjusted for inflation, have remained stagnant. Centers appear to be targeting their investments to better-educated teaching staff, who, in the 1988 sample, comprised the category of highest-paid teachers in centers. These findings suggest that, given limited resources to improve compensation, centers recognize the importance of rewarding highly-skilled staff.

As indicated in Table 2, the 1997 data replicated the original study's finding that the wages of teaching staff in for-profit centers are significantly lower than those of their colleagues in nonprofit centers. Teaching staff in NAEYC-accredited centers also earned higher-than-average salaries. Centers that paid higher wages in 1988—and which, as a group, were rated higher in observed classroom quality—continued to pay higher wages in 1997.

TANF Recipients as Child Care Workers: An Unlikely Route to Economic Independence

Because of the increased demand for child care services created by the federal welfare reform law enacted in 1996, nearly every state has identified welfare recipients themselves as a significant new source of child care workers. While this is not inherently a positive or negative idea, an influx of welfare recipients into the child care workforce carries with it several daunting challenges for these new workers and for their potential employers and co-workers (Bellm, Burton, Shukla and Whitebook, 1997).

Above all, child care center jobs are an unlikely route to economic independence for most TANF recipients, nearly all of whom have at least one dependent child, since only a small proportion of these jobs provide a self-sufficiency wage even for a single adult, and because most of the better-paying jobs require advanced education. An influx of a large pool of workers earning below the prevailing wage in child care also has the potential to decrease the already minimal wages earned by most child care assistants and some teachers (Weisbrot, 1997). Further, an influx of individuals without prior training in child development will challenge centers to provide such training and support themselves. For these reasons, we were interested in learning whether centers were currently employing TANF recipients, which types of centers were doing so, and the extent to which TANF recipients working in child care were earning a living wage and/or receiving college-based training that would enable them to eventually access the relatively better-paying child care jobs.

Thirty-five percent of centers in 1997 reported using TANF recipients as workers, but this practice varied by type of center. Fully 80 percent of for-profit chains employ TANF recipients, compared to 40 percent of independent nonprofits, 30 percent of church-based centers and 20 percent of independent for-profits. Centers employing TANF recipients are more likely to pay lower wages across all positions, and to experience higher teaching staff turnover. Nearly half of the centers employing TANF recipients (48 percent) report providing on-site training for TANF employees, 18 percent use community-based training programs, and only 16 percent of programs offer college credit-bearing training. This latter finding is of particular concern, given the demonstrated link between college-based training, better-paying child care jobs and higher-quality child care services (Helburn, ed., 1995; Whitebook et al., 1990).

It is difficult to determine the extent to which centers are turning to TANF recipients as a new low-wage labor pool or had already been turning to this population as a source of entry-level workers. While the median wage for TANF workers is $5.50 per hour, compared to the $6.00 per hour for all entry-level teaching assistants, 60 percent of centers pay TANF workers the same as their lowest-paid assistants, 23 percent pay them more, and 18 percent pay less.

Sources of Center Revenue, and the Impact of Public Subsidies on Wages

The substantial increase in public funding for child care that has occurred since 1988 has promoted a slight increase (from 55 to 60 percent) in the share of licensed centers enrolling children whose families qualify for public child care subsidies. Public funds also constitute a larger share of center revenue than in the past, leading to a slight decrease in centers' reliance on parent fees, while corporate and philanthropic contributions to center-based care have remained unchanged during this period.

Increased access to public subsidy has been most notable in for-profit centers, the fastest-growing sector of the industry (Neugebauer, 1997), associated with lower teaching staff wages and lower-quality child care services. Whereas public subsidy constituted an average of seven percent of income for independent and chain for-profit centers in 1988, these public dollars by 1997 had more than doubled for independent for-profits and more than tripled in the for-profit chains. Subsidy dollars decreased for independent nonprofits, however, from 34 to 30 percent of revenue, and increased from seven to 11 percent for church-sponsored programs during this same period. (See Table 3.)

Personnel constitutes the major expense in child care, and low wages are typically understood to be a by-product of parents' inability to pay more for services. A decrease in reliance on parent fees, coupled with an increase in public

TABLE 4:

TURNOVER AND STABILITY BY AUSPICE AND ACCREDITATION STATUS

PROGRAM TYPE	ANNUAL TURNOVER: ALL TEACHING STAFF	ANNUAL TURNOVER: TEACHERS ONLY	ANNUAL TURNOVER: ASSISTANTS ONLY	TEACHING STAFF REMAINING 10+ YEARS	TEACHING STAFF REMAINING 5 TO 10 YEARS
Independent For-Profit	35%	27%	59%	13%	29%
For-Profit Chain	45%	42%	54%	8%	20%
Independent Nonprofit	28%	27%	34%	18%	39%
Church-related Nonprofit	26%	20%	33%	11%	29%
Not NAEYC-Accredited	34%	29%	40%	12%	29%
NAEYC-Accredited	20%	15%	38%	26%	53%
All centers	31%	27%	39%	14%	32%

subsidy, might therefore be expected to improve staff wages. Unfortunately, for several reasons, this has not been the case. First, public subsidies have been used largely to expand the supply of child care services rather than to raise centers' reimbursement rates to levels that match the actual cost of providing quality services or of paying decent staff wages. Second, only a very small portion of public dollars has been directly targeted to improving teaching staff compensation. Third, current public dollars are distributed largely through parent vouchers to all types of programs, including those seeking to earn a profit, a form of indirect public investment in child care programs that has not led to improved wages or staff stability. Since public dollars were previously distributed exclusively to nonprofit programs, wages in the nonprofit subsidized sector have been notably higher than in other sectors of the industry.

Turnover and Stability

Although worker turnover is generally high in low-wage industries, it is a particularly serious concern in child care because of its demonstrated harmful effects on children (Helburn, ed., 1995; Howes and Hamilton, 1992; Whitebook et al., 1990). While child care teaching staff turnover has fluctuated over the nine years of this study, it remains unacceptably high. In 1988, directors reported average teaching staff turnover of 41 percent, a nearly three-fold increase from the previous decade (Whitebook et al., 1990). In 1992, directors reported average turnover of 26 percent in the year immediately prior to our interviews. In 1997, the turnover rate reported by directors had risen again to 31 percent for all teaching staff, and 20 percent of centers reported losing half or more of their teaching staff in the previous year. Turnover reported in 1997 also varied by job title; slightly more than a quarter of teachers (27 percent) left their jobs in the previous year, compared to 39 percent of the typically lower-paid teaching assistants.

In assessing this apparent overall reduction in teaching staff turnover from 41 to 30 percent between 1988 and 1997, it is critical to note that our study sample changed significantly during this period. A disproportionate number of the centers reporting the highest turnover in 1988 have closed since then, leaving us with a sample of centers presumably experiencing lower-than-average turnover for their communities. Even this 30-percent turnover rate for child care teaching staff, however, is very high; by contrast, the turnover rate in 1994-95, the last year for which data are available, was 6.6 percent for all public school teachers, and 3.1 percent for public kindergarten and 16 percent for private kindergarten teachers (U.S. Department of Education, 1997).

Nationally, there are increasing reports of centers struggling to remain open or even closing due to an insufficient pool of trained teachers. Better job opportunities in other fields, due to an upswing in the economy, have been identified as a major cause of this staffing problem. In each of the study sites, unemployment rates in 1997 hovered around a modest three percent. This may account for the difficulty directors reported in finding replacements for departing teaching staff: 93 percent of directors reported taking more than two weeks, and over a third (37 percent) reported taking over a month to replace departing staff, posing potentially serious problems for centers trying to maintain legally-required adult-child ratios. Nearly two-thirds of directors (63 percent) reported that they did not have a sufficient pool of qualified applicants for hiring replacement teaching staff. Proposed nationwide class-size reduction in the early elementary grades would significantly add to this difficulty; in California, which has already implemented such class-size reduction, many of the best-trained child care teaching staff have departed the field for elementary education jobs.

During the past decade, the centers in this study have replaced most of their teaching staff, probably several times over in some cases. On average, based on directors' reports, only 14 percent of staff have remained at their centers for the past ten years, and only 32 percent have been employed for five years or more. Retention rates vary by auspices (see Table 4): 39 percent of teaching staff have remained on the job in independent nonprofit centers, compared to 20 percent in for-profit chains and 29 percent in both independent for-profit and church-sponsored programs. As a group, directors of centers have more longevity on the job than teaching staff. On average, directors have worked in their centers for 10.13 years, while in 1988, the average tenure for directors had been 6.35 years.

Health Benefits

In 1988, we asked teaching staff directly about their health insurance coverage; at that time, only one out of three teaching staff interviewed received any health coverage through their employer. Those earning the lowest wages were least likely to be covered. In 1992 and 1997, we did not interview teachers, but were able to ascertain from directors the type of health insurance coverage available to their staff, focusing specifically on whether the center fully paid the monthly insurance premium and whether dependent coverage was included. Anecdotal reports suggest that teaching staff frequently do not utilize partially-paid health benefits due to their inability to afford the premium, a phenomenon that is common across industries (Ginsburg, Gabel and Hunt, 1998.) We were not able to obtain information about the scope of the coverage available, in terms of the range and level of services provided or the existence of deductible or co-payment charges for various services. Thus, it is important to recognize that even those staff whose premiums were fully paid by the center may face additional charges when they seek health care services. Given their extremely low wages, these charges may be difficult or impossible to meet, particularly in the case of chronic or catastrophic illnesses.

In 1997, more centers offered fully-paid health coverage to teaching staff than they did five years previously. One-quarter of the centers that did not provide fully-paid coverage in 1992 did provide such coverage in 1997. This is striking in light of trends among other U.S. employers. While the percentage of small firms (under 200 employees) offering health coverage has grown slightly (by three percent) since 1989, the level of coverage available and the number of employees within a firm accepting it has decreased (Ginsburg et al., 1998).

Although 52 percent of centers failed to provide fully-paid health coverage for teaching staff, the percentage of centers offering fully-paid coverage to all teaching staff has increased since the 1992 update. Teachers, as opposed to assistants, have benefited most from this change. The proportion of centers providing fully-paid coverage for teachers has increased by 11 percent, while the proportion of centers offering coverage for all teaching staff, including teaching assistants, increased by only three percent. These changes in health coverage parallel the trend in wages, whereby centers appear to be investing in their most skilled personnel. Centers offering fully-paid benefits to teachers only (rather than to all teaching staff) also paid higher wages to their highest-paid teaching staff.

Over half (57 percent) of staff receiving fully-paid health coverage for themselves did not receive coverage for their dependents; 16 percent of those fully covered also received fully-paid coverage for their dependents, and 27 percent could cover their dependents for an additional fee. Despite these improvements in coverage, the availability of health coverage for center-based child care workers remains woefully inadequate, particularly given teachers' daily exposure to illness, and, in turn, the children's exposure to teachers who are ill.

Teaching Staff Qualifications

In 1997, directors were asked to report the qualifications they require when hiring teachers and assistant teachers. The most common requirement for all teaching staff positions was prior experience working with children. Only one-quarter of centers required a bachelor's degree for teachers, and only 19 percent required any college course work for assistants. In 1988, by contrast, when we collected educational background data from individual teaching staff, 35 percent of teachers had completed their bachelor's degrees, and 41 percent had completed some college; 50 percent of assistants had completed high school, and 50 percent had completed some college. There is some indication, therefore, if indeed directors are hiring in line with their reported requirements, that the average educational background of child care teaching staff may be decreasing, even though state licensing requirements in the five study communities have not decreased, and in fact, have increased slightly in one state (Georgia).

These findings are particularly of concern in light of research conducted over the past decade demonstrating the importance of college-based education in predicting high performance among teaching staff, and the increased focus by professional organizations, funders and other community leaders and policy makers on professional development (Whitebook, Burton, Montgomery, Hikido and Chambers, 1996; Center for Career Development, 1993). Given directors' expressed frustration about the difficulty of finding qualified staff, however, the lowering of requirements may be a realistic response to the existing labor pool for low-paying child care jobs.

Center Accreditation Status

In response to the lack of national standards for early childhood practice, and to promote efforts to improve quality within child care centers, the National Association for the Education of Young Children (NAEYC) launched a project in 1985 to accredit centers that voluntarily participate and meet a set of quality guidelines. Approximately five percent of centers nationwide are currently accredited, and nearly ten percent are engaged in the self-study process to become accredited. In recent years, millions of public and private dollars have been targeted toward helping centers achieve NAEYC accreditation, and several states provide higher reimbursement rates to centers that become NAEYC-accredited. Centers that achieve NAEYC accreditation have been found to demonstrate improvements in quality, and as a group, NAEYC-accredited centers provide higher-quality care than do most non-accredited centers (Whitebook, Sakai and Howes, 1997; Helburn, ed., 1995; Whitebook et al., 1990).

In 1988, 14 of the 227 centers (6.5 percent) had been accredited by NAEYC. These accredited centers employed staff with more training and formal education, had lower turnover rates, and provided more developmentally appropriate activities and higher-quality caregiving for children. In 1992, 20 centers in the sample were accredited. Accredited centers had the lowest four-year turnover rate (33 percent) and paid higher wages to teaching staff than all other centers in the 1992 sample. Programs that had remained accredited between 1988 and 1992 also had lower four-year turnover and paid higher wages than non-accredited centers.

By the time of our 1997 interviews, 23 centers were NAEYC-accredited. The high rate of NAEYC accreditation in the sample (15 percent, compared to only five percent of centers nationally) provides additional evidence of the higher-than-average quality of this group of centers. As in the previous NCCSS and other research findings (Whitebook et al., 1997), NAEYC-accredited centers paid higher-than-average wages to all teaching staff. These centers had retained more than twice the number of staff over the nine years of the study, and nearly twice as many in the previous five years. Although turnover in the previous year among assistants averaged nearly 40 percent in accredited centers, as it did for all other centers in the sample, accredited centers reported lower turnover rates for teachers (15 percent vs. 29 percent) during the twelve months prior to our interviews than did non-accredited programs (see Table 4). While it is difficult to determine whether centers in the sample which became accredited were already of higher quality, or whether the accreditation process helped the centers achieve elements associated with good quality, these data underscore the findings of other studies that NAEYC-accredited programs as a group provide better-than-average care.

We also learned from this multi-year examination, however, that centers that attain accreditation do not necessarily maintain it over time. In 1992, each of the 14 centers that had been accredited in 1988 remained open, but five (36 percent) had not renewed their accreditation. Centers whose accreditation had expired looked no different in terms of turnover and wages in 1992 than those centers that had not sought accreditation. Sixty percent of the NAEYC-accredited centers in the 1992 sample were no longer accredited by 1997. Four of the 20 centers accredited by NAEYC in 1992 were no longer in operation, and of the remaining 16 centers, eight were still accredited, and the accreditation status of the other eight had expired and had not been renewed. More in-depth assessment is needed to ascertain why centers do not maintain accreditation status, and to what it extent they may find it easier to improve or attain a certain level of quality temporarily than to sustain it over time.

CONCLUSION

In recent years, a consensus has emerged that high-quality early childhood services are essential to the developmental well-being of children and families and to the economic well-being of our nation. The 1988 National Child Care Staffing Study raised grave concerns about the quality of child care that many American children receive, largely because their caregivers were severely underpaid and, as a result, rarely remained very long on the job. This follow-up report indicates that the overall quality of U.S. child care centers still teeters on the brink of disaster, as evidenced by low wages, high teaching staff turnover and limited benefits even in this sample of relatively stable, high-quality centers.

It is heartening that in the current child care debate, policy makers and elected officials are devoting closer attention to quality and workforce issues than in the past. As President Clinton observed during the White House Conference on Child Care in October 1997, "Child care workers on the whole are better educated than the American workforce, but lower paid. We keep saying that we want these people to get more education and more training, and yet a lot of them are quite well educated and working for ridiculously limited wages....I think that we ought to find ways that every community and every state can honor outstanding child care workers in the same ways that we honor teachers today, or scientists." Nearly every panelist at the day-long White House conference highlighted the direct link between better compensation for teachers and providers and higher-quality child care services.

But while investments of public funding during the 1990s have increased access to child care and partly alleviated the financial burden on families, they have largely failed to improve the quality and stability of child care services. This study, like its two predecessors, highlights the need for investments explicitly targeted to building a skilled and stable child care workforce, one that will be able to provide the quality of services that young children and their families need and deserve.

Promising models of such an approach are now available. By investing directly in better staff compensation and training, the U.S. Military, T.E.A.C.H., Head Start and other programs have made major progress in upgrading the consistency and quality of early childhood services. These efforts have shown that it can be done, and they challenge us to implement comparable improvements throughout the nation's child care system. The cost to society of negative outcomes for children is many times the cost of paying the appropriate teaching staff compensation that is so essential to providing quality child care. Ignoring this lesson can only continue to place young children's futures at risk.

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