



Compensation and Retention: Challenges for New York City's Early Childhood Workforce

Recent decades have been marked by a great expansion of knowledge about children's early development. Few now dispute the importance of high-quality early childhood experiences to lifelong learning and success.¹ Quality, however, is contingent upon a workforce that is well-trained, well-compensated, and stable—a far cry from the profile of today's early childhood teachers.² In spite of intense interest in early childhood education on the part of a growing number of stakeholders, investments in the workforce are minimal, and retention continues to be a major challenge.³ The quality of early childhood education for New York's children will be sorely compromised if we ignore these challenges.



This brief examines the relationship of teacher wages and retention to quality; the current status of the national early childhood workforce; and how New York City's early childhood workforce fares in the key areas of compensation and turnover. The profile of New York City's workforce emerged from a recent study of early childhood educators—including directors, teachers, and assistant teachers—conducted by the NYC Early Childhood Professional Development Institute (PDI) and the Cornell University Early Childhood Program. The brief also provides a series of recommendations that policy makers may find effective as they seek to address the pressing needs of the city's youngest residents and those who serve them.

WHAT WE KNOW

- Teacher wages are strongly linked to the quality of early childhood classrooms.
- A dramatic compensation gap exists between NYC's community- and school-based early childhood teachers, with community-based teachers earning significantly less than their public school colleagues.
- Inadequate compensation has been consistently identified as the strongest predictor of turnover among early childhood educators.
- High rates of turnover compromise children's positive cognitive, social, and emotional development as well as institutional integrity, creating tremendous challenges for programs, and, by extension, the families that they serve.
- Three quarters of all NYC directors are significantly concerned about retention, with a quarter losing staff to the Department of Education—a trend that will increase under the mandate of pre-K for all.
- NYC's community-based teachers report much higher levels of uncertainty about their plans to remain in the field than teachers in public schools.

POLICY RECOMMENDATIONS

- Convene a panel of finance executives and labor economists to pose solutions that reallocate existing resources and identify new strategies to correct compensation issues in the field, throughout the city.
- Directly invest in programs, staff, and quality through support of accreditation, credentialing, maintenance of core high-level staff, and other dynamic professional development that builds careers.
- Link higher compensation to increased qualifications. Establish scholarship systems along the lines of T.E.A.C.H. to create the pool of certified teachers needed to staff all early childhood programs.
- Consider the use of pooled benefit funds from a variety of nonprofit organizations to make efficient use of economies of scale.
- Borrow human resource strategies from other successful industries to reward longevity.

Wages, Retention, and Quality

The quality of early childhood settings has traditionally been measured by observing teaching and the actual experiences of children in the classroom as well as “structural” characteristics, such as child-adult ratios; group size; teacher education and specialized training; and staff wages and benefits.⁴ Recent research has confirmed a strong link between teacher wages and classroom quality. Some studies in fact, have found teacher wages to be more strongly associated with classroom quality than any other structural characteristic.⁵

Adequate compensation and benefits produce lower teacher turnover, which, in turn, results in stable environments for children.⁶ Sensitive, responsive and consistent early care and education is associated with children’s positive, cognitive, social, and emotional development.⁷ High turnover prevents or hinders the kind of positive, nurturing relationships that inform these desirable outcomes. One early childhood veteran has dubbed turnover “America’s other divorce crisis,”⁸ which draws attention to the impact of the loss that a child experiences. Such instability tests the most resilient families and children, and adds adjustment anxiety to the list of stressors that plague many of America’s most vulnerable families.

In addition, overall program quality is further diminished by other affects of turnover, including disruption of normal routines; changing staff dynamics and diminished morale; and the diversion of directors’ time and energy as well as center financial resources to the replacement of teachers who have left.

Status of the National ECE Workforce

Across the country, early childhood teachers are paid abysmally low wages, especially when compared to those with similar qualifications in comparable positions. While there have been many notable efforts to create financing models that truly reflect the cost of high-quality programs, such efforts have yet to radically alter the calculus of compensation.⁹ In 2006, median annual wages for kindergarten and elementary-school teachers—positions that require at least a bachelor’s degree—were \$47,040 and \$48,700. Median annual wages for child care workers and preschool teachers—a distinction that is made by the Bureau of Labor Statistics—were \$18,820 and \$25,900, respectively.¹⁰ In addition, these figures do not take into account the fact that kindergarten teachers work fewer hours than child care and preschool teachers, who typically work 40 hours per week and 12 months of the year.¹¹

Only 18 occupations out of nearly 800 annually surveyed by the Bureau of Labor Statistics report lower average wages—sobering data indeed. Among those earning higher wages are tree trimmers and animal trainers.¹²

A recent national study found that a quarter of center-based teachers and administrators have incomes below 200 percent of the poverty line, compared to one in five for all workers and one in 14 for all female college graduates.¹³

A Comparison of Mean Hourly Wages Between Early Care and Education Professionals and Other Occupations*



*Adapted from *Current Data on the Salaries and Benefits of the U.S. Early Childhood Workforce* to include wages from 2005.

To complicate the picture, early childhood teachers are less likely to have access to comprehensive benefits, including health insurance, pension plans, and sick and family leave. Roughly a third of center-based early childhood educators, it has been found, are likely to get health care through their job, compared with two thirds of other workers. Only 20 percent of center-based teachers and administrators participate in any kind of pension plan.¹⁴

Not surprisingly, turnover within the field is rampant, with the annual rate ranging from 25 to 40 percent annually.¹⁵ From the 1980s through the 1990s, the most rapid turnover was evident among those with the lowest qualifications. In recent years, however early childhood teachers with college degrees have been leaving the field to take jobs in other industries.¹⁶ Some research has shown that highly trained teaching staff are more likely to leave their jobs if they work in a setting with a high percentage of less-educated teachers or with high turnover of other well-educated teachers.¹⁷

A number of other factors have been linked to teacher turnover, including high job stress, but inadequate compensation has been consistently identified as the strongest predictor of turnover among early childhood educators. Researchers have noted that although some early childhood teachers start out with high rates of job satisfaction, their attitude gradually changes as they begin to perceive their compensation as unfair.¹⁸

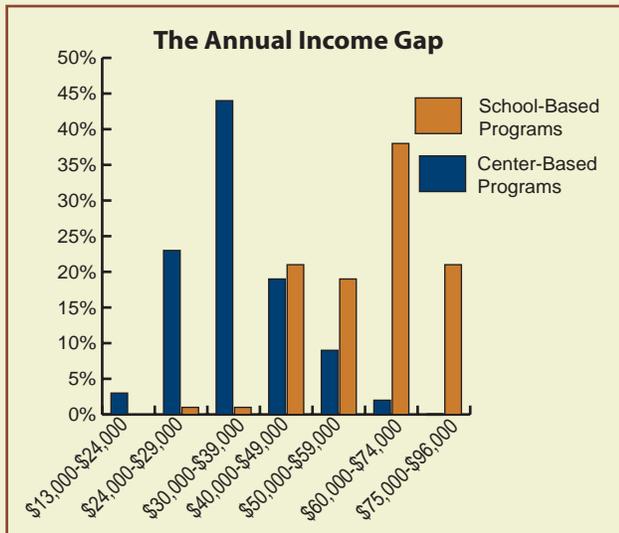
A Profile of NYC’s Early Childhood Workforce

Compensation

New York City’s early childhood workforce reflects all of these national trends. Among the key findings of PDI’s recent workforce study was the dramatic gap in compensation

between community- and school-based programs.¹⁹ Seventy percent of community-based teachers earn in the range of \$13,000 to \$39,000, while nearly a hundred percent of school-based teachers earn in the range of \$40,000 to \$96,000. Community-based teachers average \$36,000 in earnings—\$27,000 less than teachers in the public schools. The differences are most striking among those carrying out parallel educational mandates. Community-based pre-kindergarten teachers, for example, make only about 60 percent of what their school-based colleagues earn, in spite of their similar responsibilities.

Among assistant teachers, those in community-based settings average about \$3,000 less than their counterparts in the public schools, although their top salary exceeds that of public school assistant teachers by \$20,000. Salaries range from \$7,000 to \$52,000 in community-based settings and \$18,000 to \$35,000 in the public schools. This discrepancy reflects the lack of uniform entry requirements across community-based programs; those programs with greater financial resources may set the bar higher, while those dependent on ACS and other public funding have less flexibility. These publicly funded programs, which serve New York City's 185,000 children five years old or younger who are living in poverty, deserve the city's most focused attention.²⁰



The bottom line remains dismal: seventy-seven percent of community-based assistant teachers earn in the range of \$10,000 to \$29,000. A look at hourly wages reveals that 90 percent of assistant teachers make between \$7 and \$13 an hour. These wages put them right in line with their colleagues—both child care workers and preschool teachers—who make, respectively, \$9.05 and \$12.45 per hour across the country. The exceedingly high cost of living in New York City only exacerbates this problem.

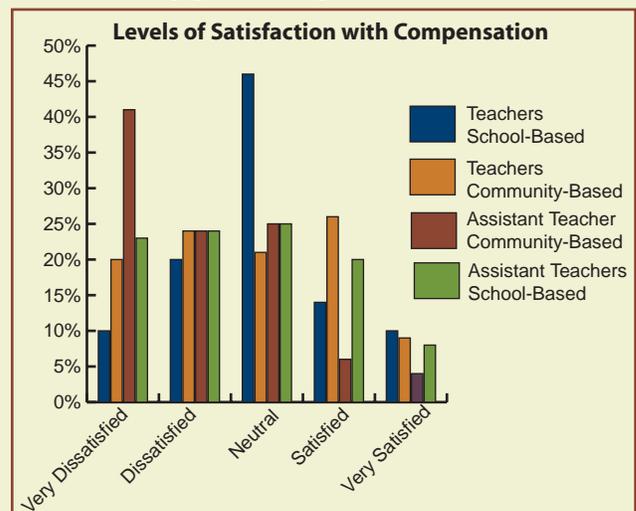
The benefits picture reflects some of the same disparities that

characterize compensation among community- and school-based settings. Teachers and assistant teachers working for New York City's Department of Education (DOE) and affiliated with the UFT rely on a substantial set of benefits. Paraprofessionals or assistant teachers employed by the DOE regularly and for more than 20 hours per week receive health and welfare benefits, including health insurance, health care flexible spending accounts, dependent care assistance and transportation benefits. The majority of community-based teachers and assistant teachers, both salaried and hourly-wage employees, receive basic benefits such as health insurance, vacation and sick leave. Pensions and parental leave, however, are less common.

Among the factors that affect compensation is union membership. While New York City's child care workers are unique in their affiliation with unions, they have not been successful, across the board, in negotiating acceptable salaries. Community-based teachers with union benefits do earn nine percent more than their non-union colleagues. However, twenty-nine percent of community-based directors reported lower annual salaries, on average, than their non-union colleagues, and assistant teachers with union benefits average only \$24,000 annually, lower than the average salaries of their colleagues who are not union-affiliated.

Retention and Turnover

While more than half of New York City early childhood educators express high levels of satisfaction with their jobs, they also claim notable degrees of dissatisfaction with their levels of compensation. The satisfaction with pay, not surprisingly, tends to be greater among those with higher salaries in both community- and school-based settings. The significant disparities in compensation across settings clearly resonate in the overall level of satisfaction with pay rate among teachers. Nearly 70 percent of all community-based teachers report that they are "dissatisfied" or "very dissatisfied" with their salaries. Thirty percent of public school teachers fall



into that category. Dissatisfaction with compensation is particularly strong among assistant teachers, regardless of setting, with higher levels among public school employees, 65 percent of whom express dissatisfaction with their pay.

PDI found that teachers' claims of high levels of overall job satisfaction seem to belie the reality of turnover. Directors remain significantly concerned about retention and turnover. Nearly half of all directors have experienced the turnover of as many as eight teachers and 15 assistant teachers during the previous year, and almost a quarter lost teachers to the DOE, a trend that will increase under the mandate of universal pre-K. Overall, more than three quarters of directors are significantly concerned about retention of their teachers.

Teachers' plans for remaining in the field are hardly reassuring. School-based teachers are more likely to plan to remain in the field for over five years, and less likely to be uncertain of their plans than their community-based colleagues. However, more than a third of school-based and almost half of community-based assistant teachers are unsure about whether or not they will remain in the field.

A number of factors predict teacher plans to remain in the field, including levels of compensation. Community-based teachers and assistant teachers, who are greatly dissatisfied with their levels of compensation, report much higher levels of uncertainty about their plans to remain in the



Developing Adults Working with Developing Children

The New York City Early Childhood Professional Development Institute is a public/private partnership that brings together a range of city agencies, a consortium of private funders, and the nation's largest urban university to build a comprehensive system of professional development for individuals who work with young children in New York City.

The NYC Early Childhood Professional Development Institute acknowledges, with gratitude, the generous support for *Learning About the Workforce* from the New York Community Trust and the Child Care and Early Education Fund.

NYC Early Childhood Professional
Development Institute
Office of Academic Affairs
101 West 31st Street, 7th Floor
New York, NY 10001
(646)344-7293
www.earlychildhoodnyc.org

Copyright © 2007 by the NYC Early Childhood Professional Development Institute. All rights reserved.

field than teachers in public school settings. These findings strongly support the evidence from other workforce studies, which identify compensation as the strongest predictor of turnover among early childhood educators.

NYC's Mission

The evidence is clear: Many of New York City's early childhood teachers—a disproportionate percentage in community-based programs—are inadequately compensated, dissatisfied with their salaries, and remain uncertain about their commitment to continuing in the field. A significant number are leaving their jobs, and the field, at rates that are great cause for concern. Such news does not bode well for the city's children, whose opportunities for high-quality early childhood education are greatly diminished by the turnover and resulting instability of the workforce. It is time for public policy to address the critical issues of compensation and retention. As the city builds on its admirable record of commitment to children and families, particularly to the reduction of poverty, these items must ascend to the top of the agenda.

ENDNOTES

- 1 Center for the Childcare Workforce, *Current Data on the Salaries and Benefits of the U.S. Early Childhood Education Workforce* (2004), <http://www.ccw.org/pubs/2004compendium.pdf>.
- 2 A. Mitchell and G. Morgan, *New Perspectives on Compensation Strategies* (The Center for Career Development in Early Care and Education at Wheelock College, 2000).
- 3 Center for the Childcare Workforce, *Current Data on the Salaries and Benefit of the U.S. Early Childhood Education Workforce*.
- 4 D. Phillips et al., "Within and Beyond the Classroom Door: Assessing Quality in Child Care Centers," *Early Childhood Research Quarterly* 15, 4, (2000): p. 475-496.
- 5 Ibid.
- 6 M. Whitebook et al., *Then and Now: Changes in Child Care Staffing, 1994-2000* (Washington D.C.: Center for the Child Care Workforce, 2001).
- 7 M. Bridges and J. Carlat, *Training and Retaining Early Care and Education Staff, Bay Area Child-Care Retention Incentive Programs: Evaluation Policy Brief 03-2*, February 2003 (Policy Analysis for California Education), <http://pace.berkeley.edu>.
- 8 C. Hale-Jinks et al., "Tackling Teacher Turnover in Child Care: Understanding Causes and Consequences, Identifying Solutions," *Childhood Education* 82,4, (2006), p. 3, http://findarticles.com/p/articles/mi_qa3614/is_2000607/ai_n17174724.
- 9 *Early Care and Education—What It Costs, Budget Series: Full-Day, Year-Round Early Childhood Program*, (Child Care Inc, New Visions for Early Education, Vol. 2: September 2007); T. Vast, *Learning Between Systems: Adapting Higher Education Financing Methods to Early Childhood Education*, (Lumina Foundation, 2001); A. Mitchell, L. Stoney, and H. Dichter, *Financing Child Care in the United States: An Extended Catalogue of Current Strategies*, (Ewing Marion Kaufman Foundation, 2001).
- 10 U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics, Table I. national employment and wage data from the Occupational Employment Statistics survey by occupation (2006), <http://bls.gov/news.release/ocwage.t01.htm>.
- 11 A. Lowenstein et al., *The Effects of Professional Development Efforts and Compensation on Quality of Early Care and Education Services*, (National Conference of State Legislatures, Child Care and Early Education Research and Policy Series: 2004).
- 12 *Current Data on the Salaries and Benefits of the U.S. Early Childhood Education Workforce*.
- 13 S. Herzenberg et al, *Losing Ground in Early Childhood: Declining Workforce: Declining Workforce Qualifications in an Expanding Industry, 1980-2004* (Economic Policy Institute, 2005).
- 14 Ibid.
- 15 *Current Data on the Salaries and Benefits of the U.S. Early Childhood Workforce*.
- 16 M. Whitebook et al, *Then and Now*.
- 17 C. Hale-Jinks et al, "Tackling Teacher Turnover in Child Care."
- 18 Ibid.
- 19 S. Ochshorn and M. Garcia, *Learning About the Workforce: A Profile of Early Childhood Educators in New York City's Community- and School-Based Centers*, (New York City Early Childhood Professional Development Institute, The City University of New York, 2007).
- 20 *Increasing Opportunity and Reducing Poverty in New York City*. The New York City Commission for Economic Opportunity (2006).