

Pay and Benefits of Child Care Staff in Wisconsin

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Who works in child care in Wisconsin, and how much do they make? Two years ago Kathleen Rodgers and I conducted a study to answer these questions. Our primary aim was to generate accurate information that would be of use to state policy makers, who have taken an increased interest in the development of child care in Wisconsin.

But our findings will no doubt be of interest to child care workers themselves. In this issue and the next of the Early Childhood Exchange, we will report to you what we found.

Our study began in May of 1988 when we randomly selected names from the list of all licensed child care programs in Wisconsin. Questionnaires were mailed to 200 center directors, all the staff at 100 centers

(553 people), and 200 family day care (FDC) providers. A cover letter explained the study, and a stamped return envelope was included. In all, 353 of our questionnaires were returned, providing the data for this study. The sample included programs and people from most counties in Wisconsin, and reflected the numbers of programs to be found in different parts of the state.

Who Works in Child Care?

Because our sample was statewide and selected randomly, it provides a picture of the kind of people who work in licensed child care in Wisconsin. How much formal training in their profession do they have, and how long have they worked in their jobs?

Child care is like many professions in

terms of education: specialized college training (and continuing professional in-service education) is available, and research evidence shows that those with the specialized education do a better job of helping children develop (Riley, 1988; Snyder & Fu, 1990). Also like other professions, higher educational attainment is linked to higher job levels, at least for center-based staff.

Forty-one percent of center directors had at least a B.A. degree in Early Childhood Education (or a related field), and most of the others had a B.A. in some other field. Teachers and head teachers (who will be considered together here) were next in line, with nearly a quarter (23%) having a B.A. or more in E.C.E. Only 4% of assistant teachers had that much formal training. Among FDC providers, formal training at the college level is still rare: only 9% had a B.A. degree in ECE.

Two-thirds of center directors (65%) and FDC providers (67%) have worked in the field of child care for 10 years or less. Fifteen percent of directors are in their first year as administrators, and 22% have been working in child care for 5 years or less. One in every four FDC providers has been providing care for two years or less. At the other extreme, the most experienced 10% of center directors have been in the field for 20 to 37 years, and in their current positions for 14 to 24 years. Similarly, the top 10% of FDC providers have been in the field of child care for 19 to 30 years.

These numbers suggest, first, that the child care profession in Wisconsin includes some administrators with many years of experience, dating back to the 1950s. But, second, another sizeable portion of program directors are new not only to their positions, but to the field itself. Even more extreme, over half (63%) of assistant teachers are in

Figure 1
Wages per Hour for Assistant and Head Teachers in Full Day Programs

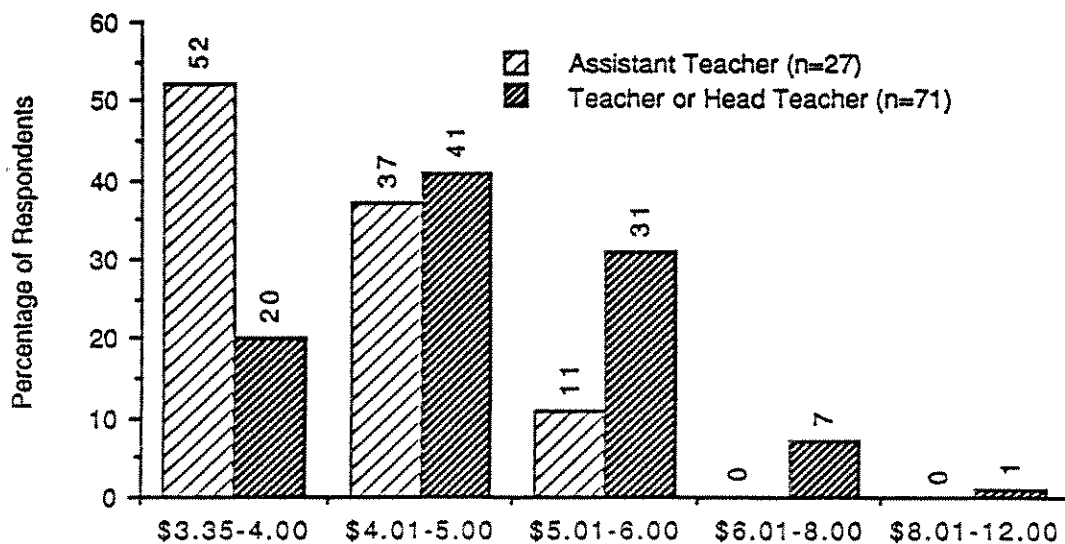
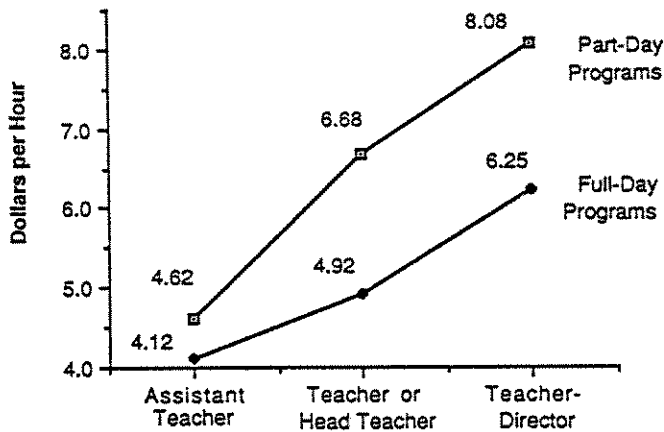


Figure 2
Hourly Wages of All Center Staff



their first year, and over half (53%) of teachers are in their first or second year at their current jobs. These numbers are consistent with the common observation that rates of job turnover are very high. FitzGerald (1988) found that 33% of teaching staff at full-day centers in Dane County quit their jobs in 1987.

How Much Do Center-Based Teachers Earn?

Concern over the high job turnover rate prompted this study. High turnover prevents the state from increasing either the supply or the quality of child care. Many people, including those in state and county government (Edie, 1988), believe that low wages are a key cause of high job turnover. What did the study tell us about wages?

Child care teachers in Wisconsin, as elsewhere in the United States, earn very low wages. As shown in Figure 1, most teachers were paid \$5.00 per hour or less, and most assistant teachers were paid \$4.00 per hour or less. Only 8% of teachers were paid more than \$6.00 per hour.

The average teacher or head teacher at

a full-day program in Wisconsin, who was 34 years old and had a 4-year college degree, was paid just \$4.92 per hour. This was low compared to virtually every other job in the state. It was low in absolute terms as well, below the poverty line for a family of three. It was low enough so that 20% of full-time teachers in our sample carried a second job. Even more distressing, this wage may be declining. It was 8% lower (in constant dollars) in 1988 than in 1980 (Frudren & Edie, 1980).

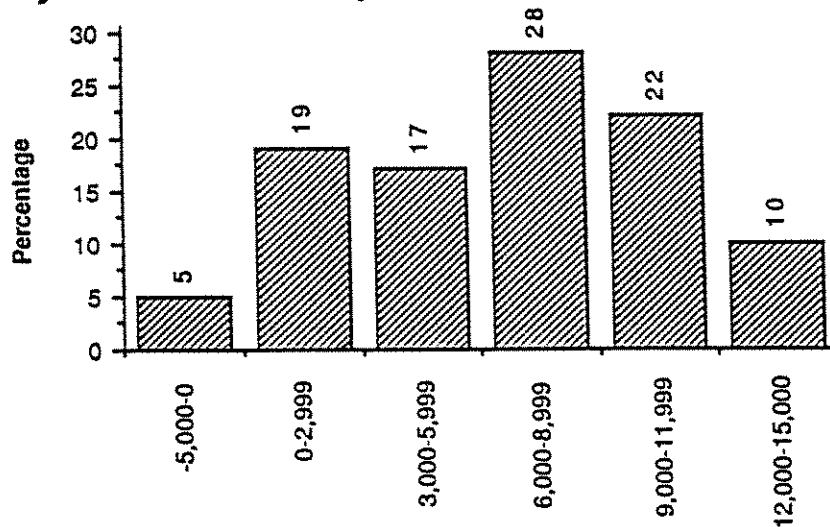
The average hourly wages of different types of teachers are shown in Figure 2. Two trends are evident. First, teachers are better paid as they move up the job ladder, from assistant to head teacher to teacher-director. Compared to most other jobs, however, these steps are quite small. In full-day programs, each major step in the job ladder is associated with an average wage increase of about one dollar per hour.

The second trend is that teachers in full-day programs, the programs that make employment possible for parents, make considerably less than teachers in part-day programs.

What led some teachers to earn more than others? Higher wages were related to three characteristics of the teacher: greater years in the job, higher job level, and higher education (especially training in early childhood education).

Wages were also related to two characteristics of the program. First, child care teachers in settings with more children per adult tended to earn higher wages. This makes sense economically, since each additional child is another "paying customer." But many children per adult also usually means a lowering of child care

Figure 3
1987 Net Yearly Income After Expenses in Family Day Care Businesses



quality. Secondly, public programs paid their teachers more than non-profits, which paid more than profit-making child care businesses.

How Much Do FDC Providers Earn?

Family Day Care providers may collect hourly fees, but they do not pay themselves an hourly wage. We asked them about their gross incomes for the previous year, and about a list of typical expenses, and from this we can paint a picture of their incomes.

Incomes varied widely among FDC providers, ranging from \$1300 to \$25,000 for the year. The median provider reported a gross income of \$12,000 in 1987. The average was \$13,334, on an average work week of 61 hours.

Business expenses ranged from \$431 to \$18,500, with an overall average of \$6883. High expenses reported by some providers were probably due to capital costs for equipment or remodeling. Indeed, a few respondents reported expenses that exceeded their gross incomes for the year, a common situation for new or expanding businesses.

Subtracting expenses from income produced a picture of net income for FDC providers, shown in Figure 3. These ranged from negative \$4700 to \$15,000, with an average of \$5319. This wide range is explained by the variation in number of children cared for and the number of hours worked on average.

Comparing the work and pay of FDC providers to other teachers is difficult. In family day care one works at home, sometimes caring for one's own children as well as others, sometimes caring for many children and at other times caring for only one. Still, one cannot help but notice that many FDC providers work very long hours for very little income.

Which providers earn the most? In order to compute this, an estimate of hourly earnings was calculated. The FDC providers who earned the most per hour had two business practices in common. First, they worked fewer hours, and in particular they avoided non-regular hours: before and after school, evenings, and weekends. Very likely, providers who work these off-hours are caring for fewer children then, and thus

reducing their hourly income. From a business standpoint this is poor management, like running a bus route that has few riders. Of course employed parents working non-standard hours must be very thankful for such poor management practices!

The second business practice related to higher hourly income was higher fees. Fees for infants and toddlers mattered most, but fees for preschoolers also mattered. For both groups the fees charged ranged from \$1.00 to \$3.00 per hour.

These two findings neatly capture the role conflict of FDC providers: they care about the families they work for, but they also have a business relationship with them. When it comes to the provider's income, one role fights the other. To serve the needs of the families, many providers are willing to work odd hours and charge low rates, sacrificing their own needs.

Job Benefits at Child Care Centers.

Program directors of full-day centers were asked to indicate which of a list of 21 possible benefits were available for their staff. The results show that some programs provide benefits comparable to other jobs in the state, but that some of the simplest benefits have yet to be offered to staff in many child care centers. See Figure 4.

For example, only about half of programs allow their employees paid breaks during the day (53%), offer their employees a health insurance program (51%) or paid sick days (60%) each year. The lack of these benefits in half of Wisconsin's licensed programs has implications for the health of the children as well as the staff.

While benefits seem relatively scarce, larger numbers of programs have begun to institute professional policies for their em-

Figure 4

Percentage of Wisconsin Child Care Programs Offering Selected Benefits and Policies

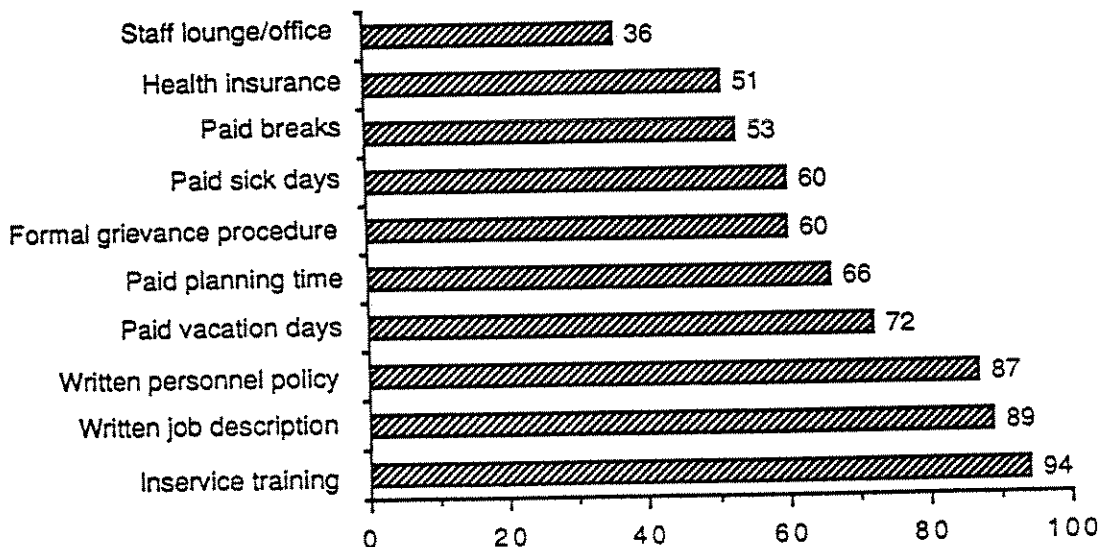
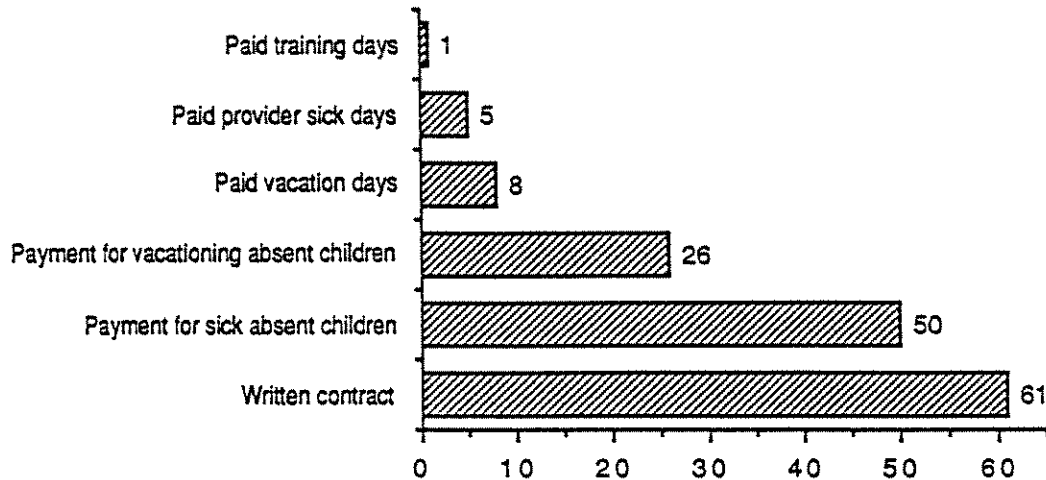


Figure 5**Percentage of Wisconsin Family Day Care Programs With Selected Business Policies**

ployees. Fully 89% of directors reported having written job descriptions for their workers, and 87% have written personnel policies. A formal grievance procedure is available in 60% of programs.

In sum, many child care programs operate like small mom/pop businesses, with highly informal arrangements made with employees. Others have begun to take a more formal and "business-like" approach.

Formal Policies in Family Day Care.

The existence of formal business policies and benefits is, of course, highly variable when one is dealing with self-employed small business owners. In the case of Wisconsin family day care providers, only 61% even have a written contract with the families to whom they provide child care. The remaining 4 in 10 providers are highly unlikely to enjoy such minimal job policies as paid sick days or holidays. Indeed every policy and benefit we asked about was less common than having a written contract with the parents, so that this may be a prerequisite for the others. See Figure 5.

Discussion of Findings.

I recently talked with the principal of a school that operates its own child care center. I asked him how much the teachers of 5-year-olds (kindergartners) earned, and then how much the teachers of 4-year-olds make. With some embarrassment, he admitted that the teachers of 4-year-olds make about half as much.

I asked him which teacher has the greater impact upon the child's future. He admitted that they are probably about equal, and that if either has greater impact it would probably be the teacher of the younger children. Clearly our system of paying the teachers of young children is irrational, unrelated to the value of the work.

The findings of this study have shown that people in Wisconsin can, in many cases, earn more slinging our hamburgers, grooming our pets, or parking our cars than they do caring for our children. Do we, as a people, really care less about the safety and growth of our children than we do about our cars and pets?

This conclusion is too awful to consider. Instead, I suggest that most people are happy to allow child care teachers and FDC providers to subsidize our child care system with their own low wages. The hidden cost in the current system, however, is our inability to increase supply and quality of child care in Wisconsin to the levels we really need, because low-paid child care staff quit in large numbers each year.

What will increase child care wages? Let me suggest two possibilities. First, the state's Day Care Advisory Committee is considering a recommendation for changes in the way that community aids child care monies (roughly 30 million dollars per year) are paid. Under the proposal, higher quality programs would receive higher reimbursements. In other words, the state would pay more for a higher quality product. Three impacts are intended: (1) that higher quality

programs reduce their turnover rates, so we keep the best qualified teachers; (2) that other programs be encouraged to upgrade themselves to qualify for higher reimbursements; and (3) that parents, who see the state recognizing and paying more for higher quality programs, will also then be willing themselves to pay more for quality. The proposed change would increase the state's costs by 10%.

The second possibility is that child care professionals themselves will raise rates. This is controversial since it will price some families out of child care, forcing them onto welfare. But the current system is no more fair, since it keeps families off welfare only by harming child care workers with low wage levels. When we think in terms of what is good for people, I simply suggest that child care professionals include themselves among those they do well for.

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