

Child Care Hiring and Retention Challenges Driven by Low Pay

CHILD CARE IN CRISIS TEXAS CASE STUDY RESEARCH BRIEF #3

January 2023

In Texas, nearly 10 percent of early childhood educators left the child care industry and 20 percent of child care programs closed their doors during the COVID-19 pandemic.¹ Unlike other industries that saw robust economic recovery in the post-pandemic economy, many early childhood educators who left their jobs did not return.² In Texas, the ratio of regulated child care seats to children in working families declined by nearly 40 percent between 2019 and 2021.³

Underscoring the extent of the ongoing child care crisis, in May 2022, one in five Texas families reported difficulty accessing child care.⁴ Inability to access child care can drive parents out of the workforce, resulting in reduced household income and reduced profit and productivity for businesses that lose employees.⁵

“Staffing has been our biggest challenge in the last 3 years. It was getting difficult pre-pandemic, but it has gotten so much worse since.”

-Texas child care director

In 2022, Prenatal-to-3 Policy Impact Center researchers learned about challenges facing the Texas child care workforce by conducting a representative statewide survey of 816 child care program directors. Overwhelmingly, directors report that hiring and retaining high-quality early childhood educators is the biggest challenge they face. Further, directors identify low industry pay as the root cause behind staffing challenges.

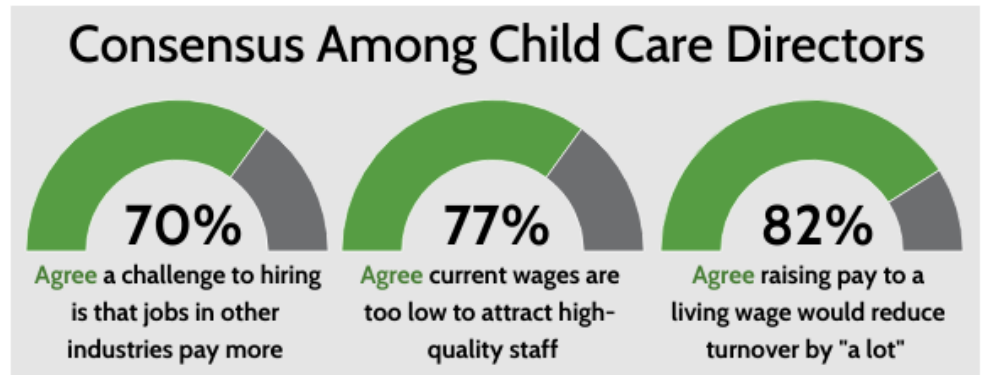
97 percent of child care directors in Texas face major barriers to hiring early childhood educators

When child care programs are understaffed, they cannot serve the full number of children they are licensed to serve. Across the state, child care directors report major challenges to hiring and retaining high-quality educators, exacerbating the child care shortage and directly limiting families’ ability to access care and enter or remain in the workforce.



Low wages prevent directors from hiring and retaining early childhood educators

Low wages stand out as the core challenge facing the child care industry. Seventy-seven percent of directors report that wages are too low to attract high-quality staff, and when asked to identify factors that would help reduce turnover, 82 percent of directors say increasing pay to a living wage would reduce turnover by “a lot.”

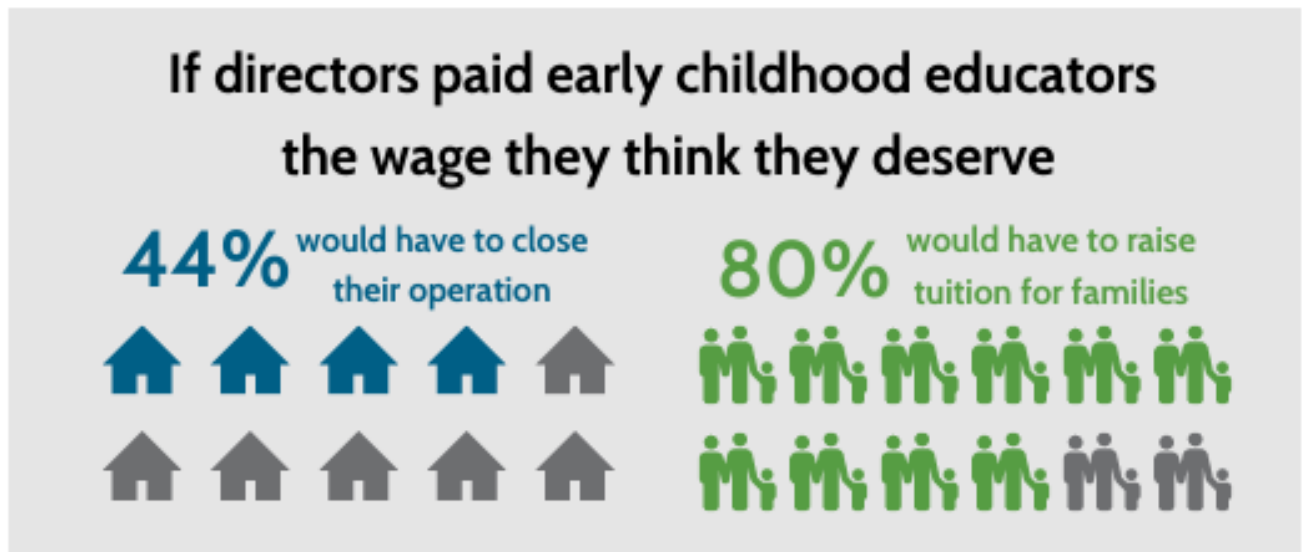


“You have fast food restaurants offering more than what we are able to pay.”
 -Texas child care director

Seven out of ten child care program directors report difficulty hiring because other job opportunities pay more. In Texas, many large employers offer a starting wage of \$15.00 an hour or more.⁶ Meanwhile, the median wage across all early childhood educators in Texas is \$12.00 per hour, and 90 percent of early childhood educators – including experienced educators – earn less than a living wage (\$16.41 per hour).^{7,8}

Child care programs cannot afford to raise early childhood educator wages

High-quality child care is expensive to provide. Child care programs often operate on profit margins of less than one percent, limiting directors’ ability to raise wages.⁹ Almost half of Texas child care program directors say that raising wages to reflect what early childhood educators deserve to be paid would mean they could no longer afford to stay in business.



"I can't accept more children because I don't have staff to help and I don't make enough to pay them a fair wage."

-Texas child care director

Further, 80 percent of directors say that raising wages to reflect what they think early childhood educators deserve to be paid would require raising tuition for families, an impact that would price many families out of the market. The federal government considers child care affordable when it costs less than seven percent of household income. However, a typical family in Texas (that makes the state median income) with one infant and one toddler already spends more than 25 percent of their family income on child care.^{10,11,12}

Conclusion

The COVID-19 pandemic destabilized an already struggling child care industry. When surveyed two and a half years after the start of the pandemic, the vast majority of child care program directors report staffing challenges as the biggest problem they face. Time and time again, directors shared that low early childhood educator wages - which child care programs cannot afford to raise - block the development of a robust and stable child care workforce in Texas as workers seek out higher paying job opportunities.

"The biggest challenge as of now is finding qualified teachers with us offering low paying wages."

-Texas child care director

About the Report: *Workgroup Recommendations to Inform the Strategic Plan*

In response to Texas HB 619 (2021), the Prenatal-to-3 Policy Impact Center worked in partnership with the Texas Workforce Commission and convened a Workgroup of 27 child care experts and designed and administered an original survey, collecting data from more than 800 child care directors across the state. Using novel data on workforce characteristics, wages, and education collected from the statewide, representative sample of directors, the Policy Impact Center and the Workgroup created a comprehensive set of recommendations to improve the quality of the child care workforce in Texas and create sustainable, long-lasting changes to improve the quality of child care across Texas.

The Workgroup recommends that the Texas legislature increase funding for child care to stabilize the market and ensure access to high-quality care, including through 1) providing retention bonuses to educators, 2) increasing subsidy reimbursement rates to reflect the true cost of care, and 3) expanding the number of subsidized slots provided. The workgroup also provides a series of recommendations for state and local government entities and educational institutions to raise workforce quality and support the child care sector, and outlines how other states are funding their improvements to early childhood education.

Read the full report here: <https://pn3policy.org/resources/workgroup-recommendations-to-inform-the-2022-texas-child-care-workforce-strategic-plan/>

Who We Are

The Prenatal-to-3 Policy Impact Center translates the science of the developing child into state level policies that have the strongest evidence of improving outcomes for infants and toddlers and their parents. Based in Vanderbilt University's Peabody College of Education and Human Development, the Center's team of researchers and nonpartisan policy experts work with policymakers, practitioners, and advocates to navigate the evidence on solutions for effective child development in the earliest years. Learn more at www.pn3policy.org.

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