

Child Care Workforce Retention Incentives

Evidence Review Snapshot



To ameliorate the effects of low pay common in the early education field, states can implement retention incentives to provide temporary financial relief for early educators. By providing temporary, often lump-sum financial incentives to increase workforce compensation, child care workforce retention incentives may help encourage early educators to remain in their positions or the broader field. Rather than increasing workforce wages directly, these state incentives may be in the form of cash bonuses, tax credits, or scholarship stipends.

Retention incentives are typically offered for early educators based on tenure, and the amount of the incentive can vary by educational attainment and role. Incentives also vary in frequency – from one-time to recurring incentives (e.g., quarterly, annually). Rigorous evidence shows retention incentives can effectively reduce teaching staff turnover, which might further promote child care quality and learning outcomes.

States can leverage federal funding, develop dedicated funding streams, and foster public-private partnership to fund child care workforce retention strategies. Federal programs like the Child Care and Development Fund (CCDF), Head Start, and Preschool Development Grants Birth-Five (PDG B-5) are important sources of funding that supports the workforce. States can also make direct investment through state general funds, state pre-K funds, and state funds from a payroll tax or other sources of revenue.

Child care workforce retention incentives reduce teaching staff turnover and increase the size of the early care and education workforce.

11%

A \$1,500 cash bonus program **reduced teaching staff turnover by 11 percentage points** after 8 months.

7%

A \$10,000 cash bonus program **increased the size of child care workforce by 7.0 percent** (i.e., approximately 219 early educators) after 1 year.

For more information and citations for the above-referenced studies, please refer to our comprehensive Evidence Review on Child Care Workforce Retention Incentives: <https://pn3policy.org/policyclearinghouse/child-care-workforce-retention-incentives/>.

Evidence-Based Policymaking

The Prenatal-to-3 Policy Impact Center at Vanderbilt University analyzes rigorous evidence to determine which policies are proven to produce positive outcomes for young children, their families, and society. Our comprehensive review of the evidence demonstrates that child care workforce retention incentives can reduce teaching staff turnover and promote nurturing and responsive child care in safe settings.

