

# Wage Supplements Strengthen the Child Care Workforce

## *Reflections on the DC Early Childhood Educator Pay Equity Fund*

Justin B. Doromal, Eve Mefferd, Heather Sandstrom, Erica Greenberg, Laura Jimenez Parra, Victoria Nelson, and Elli Nikolopoulos

Many early educators believe [the Pay Equity Fund is addressing issues of fair and equitable pay](#).

[The Pay Equity Fund is helping many early educators better focus on children's development and needs in the classroom](#). This view is strongest among early educators who believe they are now being paid what they should as a result of the Pay Equity Fund.

[The Pay Equity Fund shows promise for addressing long-standing issues of high workforce instability](#). Many early educators report they are more likely to stay longer at their current employer and in DC child care because of the payments.

These findings are notable given that supplemental payments occurred when educators were already dissatisfied with low levels of compensation. For example, our survey reveals that 35 percent of early educators report being dissatisfied or very dissatisfied with their pay outside of the wage supplements, even though only 8 percent indicate that they are dissatisfied or very dissatisfied with their job overall. In focus groups, some educators working in child development centers shared their views on how the payments fall short of achieving pay equity. It will be important to continue to track early educators' views on fair and equitable pay as the Pay Equity Fund progresses and is fully implemented in FY 2024.

*To have the education and years, and you still making \$50,000 or under, that's ridiculous. Especially if you been doing it for so long. You look at now that we have these degrees, we have so much opportunity just to leave this field to make double than what we're making. —Lead teacher*

In 2021, the Council of the District of Columbia (DC) established the Early Childhood Educator Pay Equity Fund (“Pay Equity Fund”), aimed at achieving pay parity between early educators in child care programs licensed by the Office of the State Superintendent of Education (OSSE) and teachers in DC public schools. Beginning in FY 2022, eligible early educators could receive a lump-sum annual payment of \$10,000 if a full-time assistant and \$14,000 if a full-time lead teacher. In FY 2023, early educators received quarterly payments totaling the same. In FY 2024 and beyond, funds will go to child care providers to help them meet salary minimums for their educators.

Beginning in May 2023—following the disbursement of the lump-sum payment and first two quarterly payments—we conducted a survey of all early educators eligible for one or more payments as well as follow-up focus groups. This fact sheet summarizes reflections on how the Pay Equity Fund is making progress toward three goals: fair pay, better care quality for children, and workforce stability and retention.

### EARLY EDUCATORS SEE PAY EQUITY FUND PAYMENTS AS PROGRESS TOWARD FAIR AND EQUITABLE PAY

Of the early educators surveyed, **70 percent agree “somewhat” or “a lot”** with the statement, **“Because of the Pay Equity Fund payments, I feel like I’m being paid what I should be for the credentials required for my job”** (an associate degree for lead teachers, a child development associate credential for assistants, or the equivalent). These views do not differ meaningfully by the credentials early educators hold.

## EARLY EDUCATORS DESCRIBE HOW WAGE SUPPLEMENTS BOOST CARE QUALITY

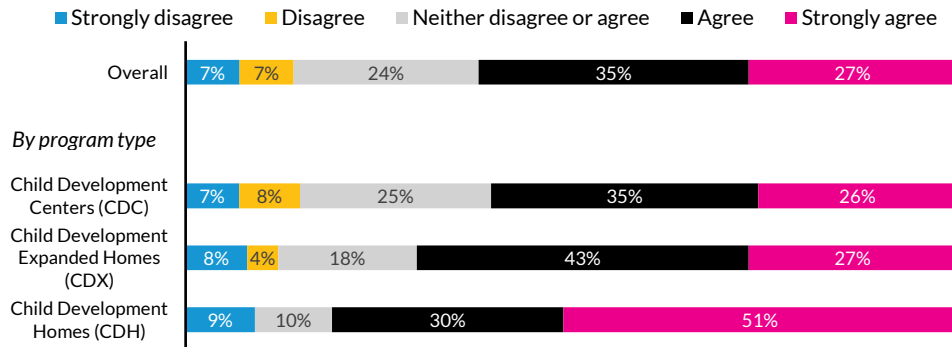
We asked early educators whether they agree with the statement, “Because of the Pay Equity Fund payments, I can better focus on the needs and development of children I work with,” and 71 percent of early educators indicate agreeing at least somewhat. This sentiment varies considerably depending on their views on fair pay. For example, agreement with this statement is 36 percent among educators who do not agree at all that they are being paid what they should; it is 89 percent among educators who strongly agree their pay is fair.

*You have these teachers who are now being able to live, not paycheck to paycheck, but a livable wage. I'm going into work happier. I'm gonna do better work. If I'm not going to work a second and third job, like I've done in the past, I'm more energetic at work. My classroom is gonna prosper more, because I am prospering more. I can see how that has a positive effect on the children and [the] center in general. —Lead teacher*

*It is a huge help for my financial situation. It also inspires me to continue working as an educator. —Assistant teacher*

FIGURE 1

How do early educators agree with the following statement: “Because of the Early Childhood Educator Pay Equity Fund payments, I plan to continue working in child care in DC longer than I thought I would.”



Source: Urban Institute 2023 survey of eligible DC educators.

Notes: Based on 1,081 observations; survey weights were implemented so estimates represent full eligible population of eligible educators. CDC N = 1,043, CDX N = 26, CDH N = 10. Due to small sample sizes, interpret results for CDH and CDX with caution. Data include center- and home-based staff.

## EARLY EDUCATORS REPORT HOW WAGE SUPPLEMENTS PROMOTE RETENTION

The Pay Equity Fund appears to shape not only early educators’ current views of their jobs, but also their perspectives on the future. Most educators (70 percent) report being very or extremely likely to remain at their current job in the next two years. Moreover, 62 percent agree or strongly agree with the idea that they plan to continue working in DC child care longer than expected because of Pay Equity Fund payments (see

figure 1). Eligible educators working in OSSE-licensed child development homes and expanded homes are especially likely to agree, with 81 percent agreeing or strongly agreeing with the statement.

That said, 30 percent of early educators report that they are at least somewhat likely to find employment outside early care and education in the next two years. Roughly one in three early educators recently looked or considered looking for a new or additional job. Wanting higher pay is a primary reason, reported by 74 percent of early educators who considered looking for a new or additional job.

As of FY 2024, early childhood educators will no longer receive supplemental payments. Instead, new funds will go through child care employers who opt into the Pay Equity Fund. These facilities will receive additional funding in exchange for committing to pay eligible early childhood educators wages or salaries that meet or exceed minimum salaries defined by OSSE based on role and education. Our future research will examine wage increases under this new structure.

### PROJECT HOMEPAGE

DC Child Care Policy Research Partnership

<https://urbn.is/3UevDIN>