How Wage Supplements Affect Child Care Workers' Well-Being

Findings from an Evaluation of the Best Starts for Kids Child Care Wage Boost Pilot

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Millions of children in the US depend on their early educators for the responsive, engaging, and stable relationships that support learning and growth. But studies show how the child care workforce faces financial insecurity (Mefferd et al. 2025; Miles et al. 2025; Seyarto et al. 2026), high depression rates (RAPID Survey Project 2024), and high levels of stress, burnout, and turnover (Amadon et al. 2023; Doromal et al. 2022; Morrissey and Bowan 2024; Schaack et al. 2020). Child care workers often contend with high job demands, low compensation, and inadequate professional supports. These conditions can undermine workers' well-being and employee retention and negatively affect the quality of care—both directly through depressive symptoms and emotional exhaustion and indirectly when turnover disrupts teacher-child relationships (Buettner et al. 2016; Liu et al. 2025; Markowitz et al. 2024; Sandilos et al. 2015).

In 2025, King County, Washington, launched the Child Care Wage Boost Pilot through the Best Starts for Kids initiative, distributing direct payments to child care professionals to supplement their wages. Through a randomized, stratified lottery,[1] the pilot provided eligible participants $2,080 a quarter for full-time staff, and half that amount for part-time staff. The payments aimed to improve the workforce's professional and personal well-being, workforce stability, and families' access to stable, high-quality care. The Urban Institute, in partnership with Cardea Services, conducted a rigorous mixed-methods study evaluating the pilot's impacts on workforce outcomes.

In this brief, we find that in its first year the pilot improved financial stress and mental well-being for child care professionals receiving a wage boost. Regardless of pilot participation, the child care workers demonstrated high workplace satisfaction and a high sense of thriving. A companion brief assesses the pilot's impacts on the county's child care sector (Mefferd et al. 2026).

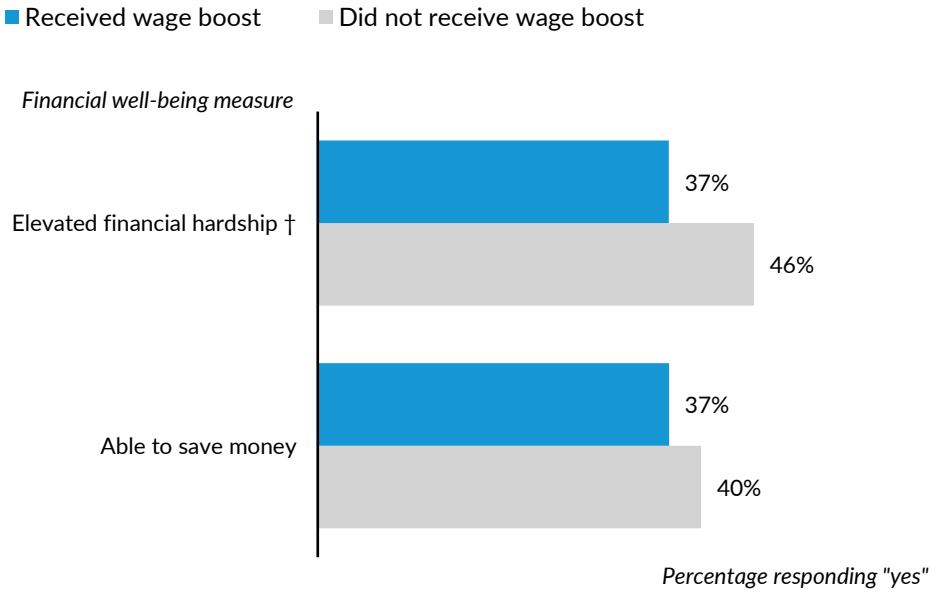
The Wage Boost Pilot Reduced Financial Stress for Participating Child Care Professionals

Child care professionals who received a wage boost reported significantly less financial stress on average. Stressors included how often financial worries affected sleep and household disagreements, whether bills were past due, and whether participants were worried about running out of money before being paid again.

Child care professionals who received a wage boost reported marginally less financial hardship compared with those who did not (figure 1). They were not more likely to report having enough money to put aside money for savings in the previous three months (figure 1). While we cannot say for certain why setting aside savings was not easier for wage boost recipients, it may be that funds supported payment of urgent or immediate expenses or helped child care workers stay ahead of the rising daily cost of living.

FIGURE 1

Reported Financial Hardship and Ability to Save Among Child Care Wage Boost Recipients and Nonrecipients



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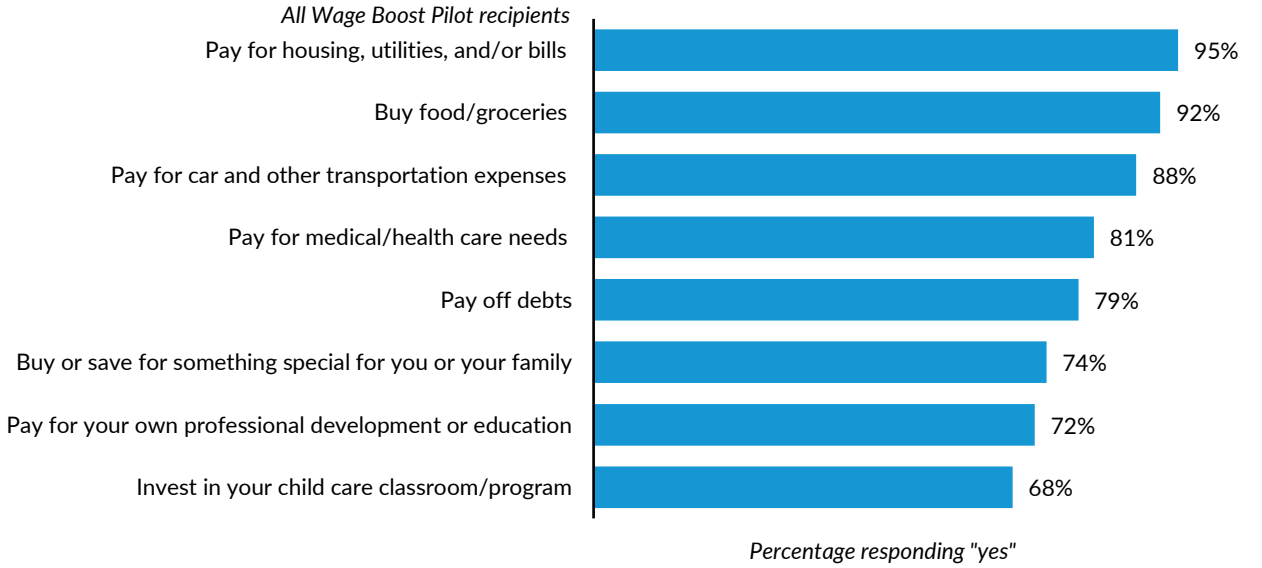
Source: Urban Institute survey of King County child care professionals, February–March 2026.
Notes: Figure includes data on wage boost recipients and providers who did not receive a wage boost in 2025. As noted in the Methods box, we used a randomized lottery design and baseline and follow-up surveys to estimate these impacts, increasing our confidence these differences reflect impacts of the pilot rather than other factors. Data reflected in the figure are regression-adjusted to account for control variables. Elevated financial hardship was considered an average score of "yes" to items including whether individuals had difficulty affording food and other necessary expenses every month. Ability to save money includes "yes" responses to the item, "In the last 3 months, have you had enough money to put some aside for your savings (i.e. for retirement or emergencies)?" Elevated financial hardship n = 327. Ability to save n = 363. † $p \leq 0.10$.

We analyzed survey and focus group data to understand whether pilot participants' experiences matched our impact findings. In our 2026 workforce survey, Wage Boost Pilot participants reported that the wage boost had made it easier to pay for basic costs and immediate expenses such as housing, bills, groceries, transportation costs, medical expenses, and debt (figure 2). More than two-thirds of respondents also indicated that wage boost funds had made it easier to invest in materials and supplies for their child care program or classroom. Among a smaller sample (n = 169), 24 percent reported it was easier to quit second or third jobs because of the wage boost.

FIGURE 2

Recipients Most Often Reported the Child Care Wage Boost Helped Them Pay for Housing, Food, and Transportation

Respondents reporting "yes" to the question, "With the payments you received from the Wage Boost, has it been or was it easier to do any of the following?"



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Source: Urban Institute survey of King County child care professionals, February–March 2026.
Notes: Figure includes only those who received a wage boost payment in 2025. Participants who selected "not applicable" are not included in this figure. *n* = 198–380. "Debts" included options such as student loans and credit card debt; "something special for you or your family" included options such as appliances, activities, camps, toys/games, and elder or dependent care items; "invest in your child care classroom/program" included options such as materials and supplies.

Focus group participants shared how the wage boost allowed them to create a financial cushion and reduced their financial stress. Some described less financial pressure to get or keep a second job, or said they were simply better able to afford basic needs. Several participants also described being better able to focus on their own well-being, such as taking mental health days and finding time to recharge without fearing financial repercussions from taking time off. Other positive results associated with decreased financial stress included having more energy for the children they cared for, opportunities to treat themselves or families occasionally, and the ability to stay in their current job.

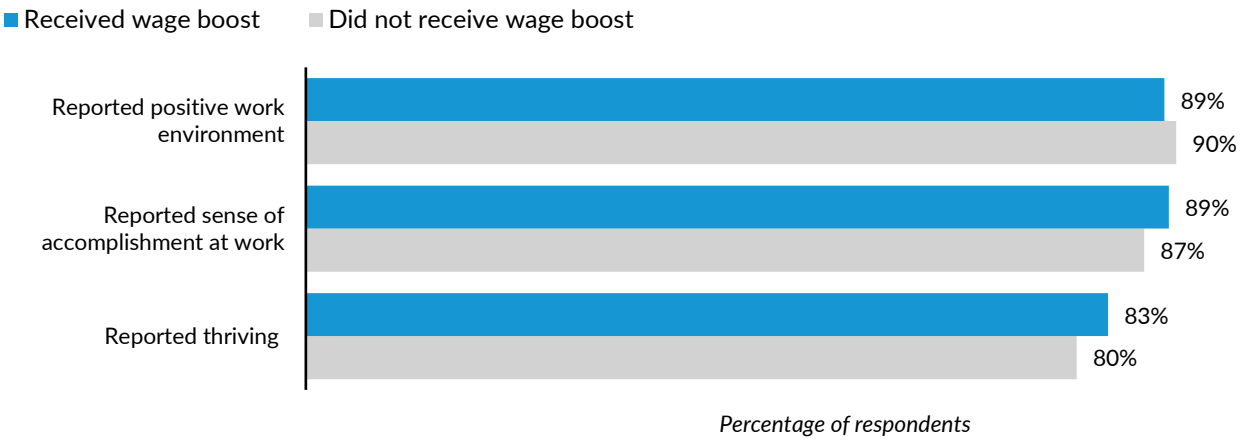
Child Care Workers Report Positive Workplace Environments, a Strong Sense of Accomplishment, and Thriving

Across wage boost recipients and nonrecipients, the assets and strengths of the child care workforce were clear. Nearly 80 percent of the sample felt that their religious, spiritual, and cultural traditions were respected and accommodated in the workplace. In our randomized controlled trial analysis (see Methods box), irrespective of wage boost participation, child care workers commonly reported they had a positive work environment, felt a sense of accomplishment in their work at least a few times a week, and felt they were thriving (figure 3).

"We can help children to get their first education experience in here, and help families to get connected with the community, and I'm seeing a lot of children grow and learn a lot of things from us." —Pilot participant, facility administrator

FIGURE 3

Child Care Workers Broadly Agree That They Have Positive Workplaces, Feel a Sense of Accomplishment in Their Work, and Are Thriving



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Source: Urban Institute survey of King County child care professionals, February–March 2026.
Notes: Figure only includes respondents who took both the first-time-point and second-time-point surveys and received a wage boost payment in 2025 or who did not receive a wage boost. As noted in the Methods box, we used a randomized lottery design and baseline and follow-up surveys to estimate these impacts, increasing our confidence these differences reflect impacts of the pilot rather than other factors. Data reflected in the figure are regression-adjusted to account for control variables. "Reported positive work environment" uses a multi-item scale, and positive reports are considered average responses of "agree" or "strongly agree" across items (n = 337). "Sense of accomplishment at work" reflects a subscale of the Maslach Burnout Inventory, and positive reports are considered average responses of "a few times a week" or "every day" across items (n = 332). "Reported thriving" is based on the Brief Inventory of Thriving measure, and positive reports are considered average responses of "agree" or "strongly agree" across items (n = 341).

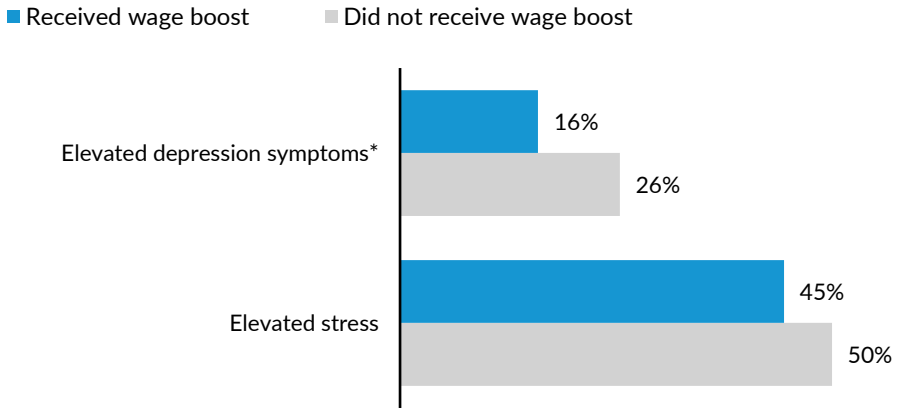
The Wage Boost Pilot Reduced Depression for Participating Child Care Professionals

Compared with participants who did not receive the wage boost, child care providers who received the wage boost reported significantly fewer symptoms of depression (figure 4). As one facility administrator who participated in the pilot shared in a focus group,

"I've noticed that with the staff that I have, their mental and physical health has improved, because they don't have to ... worry so much about getting some of the basic needs ... whether it's the car or groceries, especially with today's economy. And they haven't needed to use as many sick days, vacation days, to help take care of their mental health." —Pilot participant, facility administrator

FIGURE 4

Rates of Depression Symptoms and Elevated Stress Among Child Care Wage Boost Recipients and Nonrecipients



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Source: Urban Institute survey of King County child care professionals, February–March 2026.
Notes: Figure includes data on wage boost recipients and nonrecipients in 2025. As noted in the Methods box, we used a randomized lottery design and baseline and follow-up surveys to estimate these impacts, increasing our confidence these differences reflect impacts of the pilot rather than other factors. Data reflected in the figure are regression-adjusted to account for control variables. "Elevated depression symptoms" are based on the Center for Epidemiologic Studies' seven-item Depression Scale (CES-D-7) (n = 324). On a scale from 0 to 21, scores of 8 or above are considered to indicate elevated risk of depression. "Elevated stress" is based on the brief four-item Perceived Stress Scale (n = 331). On a scale from 0 to 16, scores of 6 or above are considered to indicate elevated stress. * $p < 0.05$.

Nevertheless, symptoms of depression and stress are still relatively high in our survey sample. About 22 percent of all survey respondents reported elevated symptoms of depression, and about 50 percent reported elevated stress, numbers that reflect other high national estimates of mental health concerns among child care workers (Rapid Survey Project 2024). In addition, reported stress levels in the past month were similar among wage boost recipients and nonrecipients, suggesting the child care workers' perceived stress may be tied to factors other than the Wage Boost Pilot. For example, in open-ended survey responses, some wage boost recipients shared struggles they had experienced with teacher-child ratios, challenges with their programs' leadership or culture, limited resources, and the political climate.

Conclusion and Implications

Our findings reflect the deep commitment and engagement of the child care workforce, as it nurtures, caretakes for, and teaches young children. Indeed, enjoyment of the work and high levels of stress and depression appear to frequently coexist in the workforce (Mefferd et al. 2025; Miles et al. 2025). In this brief, we show that wage boost payments had a meaningful impact on the financial and emotional well-being of this workforce. Efforts to lower depression and improve early educators' financial well-being hold implications for reducing turnover (Liu et al. 2025) and child care workers' capacity to provide stable, high-quality, responsive caregiving to young children (Buettner et al. 2016; Markowitz et al. 2024). The stability of the workforce meaningfully impacts a wide range of school readiness outcomes (Markowitz 2024; Tran and Winsler 2011).

> *"For me personally, I feel more motivated every day from the moment I wake up thanks to this incentive. That's important because it gets projected to the kids we work with." —Pilot participant, teacher*

Policymakers and researchers might consider the well-being of the child care workforce as an important pathway through which child care professionals' pay can improve children's experiences in care. Ultimately, supporting the well-being of those serving young children is an important target to support the success of the youngest learners in King County and beyond.

METHODS

Baseline (First Time-Point) Survey

Urban administered the baseline King County Child Care Workforce Survey from February to March 2025. This was after applications for the Wage Boost Pilot were opened but before facilities were selected to participate. We surveyed professionals at applicant facilities to collect baseline information. Because selection had not yet occurred, the program could not have influenced baseline responses. Well-being outcome measures included financial strain and hardship (Aldana and Liljenquist 1998), depressive symptoms (CES-D-7; Levine 2013), perceived stress (Cohen and Williamson 1988), job satisfaction and job commitment (SEE-Partnerships 2022), sense of accomplishment (Maslach et al. 1996), and a brief inventory of thriving (Su et al. 2014).

Second Time-Point Survey

We conducted a second survey one year later, from February to March 2026. The survey sample included individuals who took the 2025 baseline survey, regardless of current employment or Wage Boost Pilot status, and individuals who did not take the baseline survey but who received pilot funds. We received 752 valid survey responses.

Randomized Controlled Trial (RCT)

We used facility-level random assignment, a feature of the pilot's lottery approach to selecting child care sites, to estimate the causal effects of enhanced wages on child care professionals' well-being. We estimated regression models specified within a structural equation modeling framework, using full-information maximum likelihood (FIML) as our approach to handle missing data (Enders and Bandalos 2021). Models included an indicator for whether a facility was selected for the pilot, baseline outcome measures, randomization block indicators, and covariates for role, full-time employment status, facility type, and region. We used facility-clustered standard errors.

Qualitative Data Collection and Analysis

To deepen the impact analysis and survey outcomes and elevate providers' voices, Cardea Services conducted focus groups from April to May 2026 with 32 educators and administrators at child care programs participating in the pilot, and 13 administrators at child care programs wait-listed for the pilot. Focus group topics included people's experiences being selected or waitlisted for the pilot, positive and negative outcomes of the pilot, and policy recommendations.

Note

[1] King County opened applications for the Best Starts for Kids Child Care Wage Boost Pilot in February 2025. A limited number of child care facilities that applied for the pilot were selected to participate through a segmented lottery designed to avoid favoring facility types or regions. Eligible staff at selected facilities were then invited to enroll in March 2025. Employees who worked at least two months and one day in a quarter received a quarterly payment of $1,040 if working fewer than 25 hours a week or $2,080 if working more, paid directly by the program and separate from regular paychecks.

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