COMPENSATION, TURNOVER, AND QUALITY

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Compensation, Turnover, and Quality

Overview

Montana is moving forward with support of high quality early childhood programs for young children and families through funding for STARS to Quality and STARS Preschool. Montana efforts and initiatives support what we know about the science of child development and early learning.

“Children are already learning at birth, and they develop and learn at a rapid pace in their early years. This provides a critical foundation for lifelong progress, and the adults who provide for the care and education of young children bear a great responsibility for these children’s health, development, and learning.”  
(Transforming the Workforce for Children Birth through Age 8, A Unifying Foundation, Institute of Medicine of the National Academies, April 2015) The recommendations in the IOM report state that they “lay the groundwork to improve the quality of both professional practice and the practice environment, the status and well-being of the workforce, recruitment and retention of a robust pipeline of new professionals—and ultimately, outcomes for children.”

The early childhood workforce consists of teachers who understand the complexity of child development and learning and work with children and families. If we do not challenge the status quo, the current fragmented and underfunded approach will likely result in inadequate development and learning for young children and especially those in our most vulnerable families.

It is critically important for the issue of compensation (wages and benefits) and the links to quality programming to be thoughtfully and seriously considered when designing programs, budgets, and addressing continuous quality improvement supporting young children, families, and the early childhood workforce. Recruitment and retention of highly qualified early childhood leaders and teachers is a dilemma of crisis proportions nationally and statewide.

As the Power of the Profession, Decision Cycle 1: Professional Identity and Boundary Draft (NAEYC, May 4, 2017) states: “Skilled, supported and knowledgeable early childhood educators provide high-quality early childhood programs. Low compensation for the early childhood workforce undermines the quality and diminishes the benefits to children, families and our economy.” The draft goes on to say that early childhood educators “are defined by their mastery of specialized knowledge, skills and competencies and accountability to the standards of the profession.”

The data and research provided below is being offered to assist policymakers and program administrators in making decisions about budgets, specifically personnel costs, as they seek funding to support high quality early childhood education in Montana.

Montana Early Childhood Wages (Montana Department of Labor and Industry, 2016)

<table>
<thead>
<tr>
<th>Montana Occupations</th>
<th>Average Yearly Salary</th>
<th>Average Hourly Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare</td>
<td>$20,490</td>
<td>$9.85</td>
</tr>
<tr>
<td>Preschool</td>
<td>$26,370</td>
<td>$12.68</td>
</tr>
<tr>
<td>Preschool and childcare administrators</td>
<td>$40,980</td>
<td>$19.70</td>
</tr>
<tr>
<td>Elementary teacher</td>
<td>$48,550</td>
<td></td>
</tr>
<tr>
<td>All occupations—Workers with a high school diploma or equivalent</td>
<td>$38,774</td>
<td></td>
</tr>
<tr>
<td>All occupations—Workers with an associate degree</td>
<td>$53,030</td>
<td></td>
</tr>
<tr>
<td>All occupations—Workers with a bachelor’s degree</td>
<td>$58,881</td>
<td></td>
</tr>
</tbody>
</table>
More than 90% of child care workers don’t make enough to afford the basic cost of living in their area. (Economic Policy Institute, 2016)

Turnover Rates in Montana
- 14.5% quarterly turnover rate for Montana stable child care employees (2015). This compares to 10.2% for all industries combined. (Report generated by Christopher Bradley, Economist, Research and Analysis Bureau, Montana Department of Labor and Industry)
- In 2014, the Montana Childcare Service Industry employed an average of 2849 workers. There was an average of 738 hires and 694 separations each quarter.
- Montana Head Start had a 24% annual turnover rate and Montana Early Head Start had a 40% annual turnover rate (NIEER State(s) of Head Start, 2016)

Are Wages and Turnover Related?
National Statistics (National Research Council, 2012)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Mean Hourly Wage</th>
<th>Turnover Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered nurses</td>
<td>$31.99</td>
<td>5%</td>
</tr>
<tr>
<td>K–8 teachers</td>
<td>$30.60</td>
<td>10%</td>
</tr>
<tr>
<td>Social workers</td>
<td>$24.26</td>
<td>10%</td>
</tr>
<tr>
<td>Preschool teachers</td>
<td>$13.20</td>
<td>15%</td>
</tr>
<tr>
<td>Home health aides/nurse's aides</td>
<td>$10.39</td>
<td>18%</td>
</tr>
<tr>
<td>Child care workers</td>
<td>$10.07</td>
<td>29%</td>
</tr>
<tr>
<td>Food counter workers</td>
<td>$ 9.13</td>
<td>42%</td>
</tr>
</tbody>
</table>

Preschool teachers in public schools who had similar pay to public school teacher averages had turnover rates comparable to that of other public school teachers (Barnett, 2003).

When the Military Child Care Act (MCCA) mandated increases in compensation tied to training and education, there was a 17% increase in real wages in a four-year period and a 50% decrease in annual turnover (Barnett, 2003).

Why Does Turnover Matter in Early Childhood: What Does Research Tell Us?
Several research studies demonstrate that turnover reduces the quality of care for children (Cassidy, Lower, Kintner-Duffy, Hegde, & Shim, 2011; Mims, Scott-little, Lower, Cassidy, & Hestenes, 2008)

High turnover:
- negatively affects children's social, emotional, and language development (Korjenevitch & Dunifon, 2010)
- affects children’s ability to develop a secure attachment with caregivers (Raikes, 1993)
- is linked to increased aggression in children (Barnett, 2003)
- negatively affects the relationship between families and the program (Cassidy et al., 2011).
- increases the costs of professional development and staff training (Barnett, 2003)
Is There a Link Between Early Childhood Wages and Child Care Quality: What Does Research Tell Us?

There is a positive relationship between early childhood teacher’s salary and child care quality (Barnett, 2003; St Clair-Christman, Buell, & Gamel-McCormick, 2011; Whitebook & Sakai, 2003).

Teacher compensation is associated with the teacher’s ability to:

- provide higher quality literacy environments (Barnett, 2003; NAEYC, 1995a; Phillips, Crowell, Whitebook, & Bellm, 2003). (St Clair-Christman, Buell, & Gamel-McCormick, 2011)
- provide activities that enhance reasoning (St Clair-Christman, Buell, & Gamel-McCormick, 2011)
- provide developmentally appropriate activities (Barnett, 2003)

Centers that improve ECERS scores, gain accreditation, and then sustain those improvements are those that have the lowest turnover and that pay the highest wages (Whitebook et al., 2001, 2004)

References


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