Jobs in the balance: The early employment impacts of Washington, DC's Early Childhood Educator Pay Equity Fund

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Background

Despite the contributions of their work to the learning and development of young children, child care and early education (CCEE) educators are among the lowest-paid workers in the United States. CCEE educators, who are predominantly female and are disproportionately women of color, earn less than other employees in a range of similar roles requiring comparable skills and education. In 2022, the median hourly wage for CCEE educators was \$13.71, 38 percent below the \$22.26 median hourly wage of other similar occupations (Exhibit 1; U.S. Bureau of Labor Statistics [BLS], 2023). Significant portions of CCEE educators live in poverty and rely on public assistance benefits (Gould 2015). In 2020, CCEE educators were almost eight times as likely to live in poverty compared to K-8 educators (McLean et al. 2021). Furthermore, wages for CCEE educators working with infants and toddlers tend to be lower compared to those working with preschool-age children.

Like any other profession, adequate compensation is necessary to attract and retain the best workers, and recruiting and retaining workers has been a longstanding issue for the CCEE field. For instance, some estimates suggest that as many as 25 to 40 percent of CCEE educators left their employer within a year, which is more than double the turnover rates for K-12 teachers (Caven et al. 2021; Doromal et al. 2022[a]; Bryant et al. 2023). Turnover rates are particularly high among teachers working with infants and toddlers; one study reported annual turnover rates of nearly 50 percent for this population (Bassok et al. 2021). CCEE educators in center-based settings with lower compensation (Bellows et al. 2021), those who identify as racial and ethnic minorities, who have lower levels of education, and who have the lowest household incomes are also more likely to leave their jobs (Schochet and Caronongan 2022). High CCEE turnover presents several challenges to the CCEE sector by disrupting the stable relationships needed to foster children's development (BratschHines et al. 2020), and by requiring administrators and staff to reallocate their attention away from quality improvement efforts and towards recruiting new staff or filling in for their colleagues who left (Doromal et al. 2022[b]).

These findings stress the need for focused efforts to mitigate the considerable compensation disparities across the CCEE sector. Particular attention should be given to supporting educators of the youngest children, who tend to be the most poorly compensated and the hardest to retain. In a pioneering effort, Washington, DC has launched the nation's first large-scale, publicly-funded program to supplement CCEE educator wages. The Early Childhood Educator Pay Equity Fund (herein referred to as the PEF) was created to achieve compensation equity with DC Public Schools (DCPS) teachers (Greenberg et al. 2023). This initiative, launched in Fall 2022, delivered initial lump sum payments ranging from \$10,000 to \$14,000 to approximately 3,000 CCEE educators serving children aged birth to three. This policy research brief examines the immediate impacts of these payments on CCEE employment levels in DC.

Key findings

- The study estimates a statistically significant, positive impact of Washington, DC's Early Childhood Educator Pay Equity Fund (PEF) initial payments on the number of child care and early education (CCEE) educators employed in Washington, DC.
- By the fourth quarter of 2022—just two quarters after the launch of the PEF—the initial payments increased CCEE employment levels in Washington, DC by approximately 100 additional educators, or about 3 percent. This was the largest positive impact among all counties included in the analysis over this period.
- The PEF's immediate impacts on CCEE employment levels are promising and appear to represent a useful strategy for increasing workforce retention and stability, though the longer-term effects of the PEF are still uncertain.

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