Cultivating Thriving Wages in King County's Child Care and Home-Based Services Sectors

Why this matters

Investments in early childhood care and education are incredibly impactful for children, families, and their communities. From <u>school readiness</u> to short- and long-term effects on <u>health and well-being</u>, early childhood care and education programs help families meet their <u>goals</u> and may advance equity in achievement within communities.

Despite the demonstrated short- and long-term benefits of these investments, early childhood care and education programs too often remain <u>underfunded</u>. While investments in early care and education in the US have increased in recent years, US public spending does not match the spending of peer <u>nations</u>. Chronic underfunding in this sector results in inadequate staff wages and meager fringe benefits. Positions in the early childhood care and education sector are some of the <u>lowest-wage occupations</u> in the United States.

The undervaluing of care labor in this sector stems in part from a long social history in which early care and education roles have and continue to be held by women, people of

What is Best Starts for Kids?

Best Starts for Kids builds on the strengths of families and communities so that babies are born healthy, children thrive and establish a strong foundation in life, and young people grow into happy, healthy adults. Best Starts for Kids promotes opportunities for kids to grow up healthy and happy and lifts up efforts to provide support early when families need it. Between 2015 and 2020, Best Starts partnered with 628 programs serving more than 500,000 children, youth, young adults and families across King County.

color, and immigrants. The <u>history of early childhood care and education</u> in the United States is closely tied to the enslavement of Black women, servitude, and patriarchal concepts of "women's work." While funding mechanisms differ by field, inadequate compensation in this sector contributes to income and well-being inequities for women, people of color, and people from immigrant and refugee communities.

In two early childhood fields, wage inequities run particularly deep. Child care and home visiting* professionals perform essential work and should be compensated robustly. Yet, these are two fields where compensation remains stubbornly low, posing challenges for recruitment and retention of qualified staff exacerbated by pandemic tensions. Within programs, wage scales are too often determined by mainstream educational achievement and certifications and do not adequately compensate staff for their lived and on-the-job experiences. Meanwhile, family, friend, and neighbor caregivers and some home visiting professionals remain uncompensated. Wage inequities in these fields cannot be solved through changes in

^{*} Since the development of the original Best Starts' Implementation Plan, "home visiting" was expanded to the broader strategy area of "home-based services" to reflect their expansive, relationship-based nature. This report generally refers to this expansive work as "home visiting" to align with reviewed literature and commonly used language.



programmatic business models alone and will require robust and sustained public and private sector investments. The pandemic has brought these fields into crisis, with <u>four out of five child care centers reporting staff</u> shortages nationally.

To build momentum and expand supports for young children and their families, Best Starts for Kids is committed to addressing this pressing issue and cultivating the conditions for child care and home visiting professionals to earn thriving wages. In late 2021, Best Starts partnered with Cardea to better understand strategies and partnerships to equitably boost compensation for child care and home visiting professionals.

Together with the Best Starts team, Cardea approached this matter with a deep commitment to centering equitable and thriving wage boost strategies and a focus on strengths-focused and culturally responsive practices. Cardea reviewed published information about thriving wage boost strategies that have been implemented or theorized across the United States and analyzed implications for equitable outcomes, conducted interviews with King County child care and home visiting professionals, and then shared findings and gathered additional input on synthesized themes from a wider range of King County child care and home visiting professionals.

What we learned

Across conversations, Cardea heard that historic, systemic, and institutionalized sexism, racism, xenophobia, and anti-immigrant policies and practices must be addressed to successfully implement equitable and thriving wage boost strategies. Further, any strategies to boost wages must consider the braided funding used to run most child care and home visiting organizations. Wage increase strategies should be comprehensive, sustainable, and consider the multiple existing scales embedded within various funding sources to support organizations in raising wages for all staff (e.g., funder- or model-driven salary guidance). To center equity, wage boost approaches must value professionals for their on-the-job and lived experiences and their educational attainment, interrogate definitions of quality in these spaces, and avoid any connection to outcome-based/performance-based quotas.

Child Care

Nationally and in King County, the child care sector is in crisis. As families struggle to afford the cost of child care, and the number of slots for child care does not meet demand, child care workers are paid low wages that do not keep up with cost-of-living in King County. In this crisis, many families with young children rely on family, friends, and neighbor caregivers, many of whom remain entirely uncompensated for their labor. More than 90% of child care workers in

the U.S. are women, and about 43% are Black, Asian, or Latinx/a/o, while making wages that are consistently lower than in other sectors. Washington's child care staff turnover rate is 43%, and 4 out of 5 child care providers report staffing shortages, with low wages as the largest challenge to recruitment. By pay, child care ranks in the 2nd percentile of all occupations. Temporary federal COVID-19 relief funds that supported child care providers during the pandemic will be ending in 2023 and 2024. King County child care providers need substantial financial commitments to keep their businesses open.

When Cardea talked with King County child care professionals about strategies to boost wages equitably, they said:

- Flexibility will be key to any approach because access to the funding and infrastructural resources needed to implement wage increases varies by child care organization.
- Wage increase strategies must address the needs of all staff within a child care organization, including child care program administrators, cooks, and janitorial staff, to avoid wage compression and ensure thriving wages.
- Policymakers and funders must be mindful of public benefit cliffs so child care professionals experience net income increases.
- Thriving wages mean improvements in wages, benefits, and holistic supports and services such as family leave,
 401(k), tuition assistance, and self-care allowances, housing supports to boost morale and improve retention.
- Access to navigators or people who can support professionals in accessing benefits and income boosts would be helpful.
 Additionally, people providing support for benefits navigation and/or administrators should be culturally and linguistically responsive to serve a diverse group of professionals. If possible, individual application processes for wage increases should be avoided.

"I want everybody to win...and I want good care for all the children, I don't want [organizations] to [lose staff] because they don't have the funding."

- Child Care Professional

"Thriving wages for child care professionals need to include housing, food, medical, and transportation costs. There needs to be a whole package that includes all these pieces that allows individuals to thrive."

- Child Care Professional



Home Visiting

Home visiting programs offer a range of services for parents and families prenatally and throughout their children's early years. Nationally and locally, recent years have seen higher than usual attrition among home visiting professionals. Low wages in this field create challenges for hiring, retention, and professional advancement among home visiting professionals. In King County, 80% of home visitors earned below living wage for one adult and one child (\$34 per hour), with 39% of King County home visitors earning less than \$20 per hour. Despite clear evidence that home visiting supports positive outcomes for families and children, home visiting agencies report operating programs with budget deficits for years and 16% of King County home visitors and supervisors have never received a wage increase.

When Cardea talked with King County home visiting professionals about strategies to boost wages equitably, they said:

- Funder-contractor relationships should be trust- and collaboration-based. Organizations feel confident they can boost staff wages equitably if funders robustly fund their programs so that budgets reflect the trust cost of operations, build cost-of-living and salary adjustments into their contracts, and provide unrestricted funds.
- Mileage reimbursement should include additional transportation costs such as regular car maintenance and car repairs. Ideally, home visiting organizations would like to see funds for a car fleet managed by their organizations or funders to alleviate car repair, maintenance, and

reimbursement challenges for home visiting professionals.

"We should have cars available,

"Organizations should be able to

build cost-of-living increases into the

contracts and funding they apply for."

— Home Visiting Professional

- Any co-created wage scales for the home visiting field should outline livable wages, center equity, consider the full range of skills and responsibilities roles require, and promote transparency. Wage boosts should be accessible to all staff and should not be tied to performance or educational attainment.
- In some cases, stagnant funding in this field has meant that home visiting organizations sometimes reduce the number of families to whom they provide services to increase compensation and benefits for staff.

whether owned by the agency or the [funder], but cars available and maintained to do the home visits."

Home Visiting Professional

What this means

In the short term...

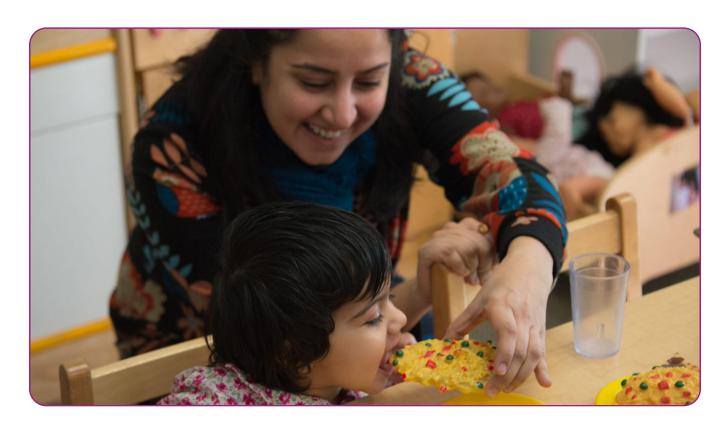
- Consider increasing wages substantially through large, immediate, direct wage boosts (i.e., stipends, bonuses, etc.) while continuing to work with partners toward incremental increases across all child care and home visiting professionals without education or credential requirements.
 Until longer term strategies have been developed, direct wage boosts should be provided on a recurring basis.
- Implement any wage boost and benefits expansion approach across entire organizations, with wage and benefits improvements available to all staff regardless of their role or the program through which their positions are funded.



- Create communities of practice for child care and home visiting organizations with interests in boosting staff wages to come together to support one another in creating equitable and transparent salary scales and compensation practices within their organizations. These organizations can become mentors to other community organizations in their fields, and in other early childhood care and education fields.
- Provide free, flexible trainings, or subsidized education to support providers in achieving higher wages, if wages remain tied to credentials and educational attainment.
- Support child care and home visiting professionals in accessing housing supports for themselves and their families, including paid mentorship or flexible online training programs for home-based child care providers on how to stay in their homes and work with landlords.
- Work with home visiting funders and employers to create transportation and wellness or self-care benefits with low-barrier reimbursement.

In the long term...

- Work toward contracts or subsidies that fund the full cost of program operations and allow organizations to increase their budgets annually for salary and other adjustments.
- Convene community organizations and employers, parents/caregivers, funders, and
 policymakers to co-create compensation principles and a suggested wage transparency
 matrix that centers equity by valuing lived experiences in addition educational achievement.
 Including parents/caregivers in wage boost conversations will help create more meaningful
 and sustainable changes to provider salaries in the child care field.
- Continue expanding access to child care through improved subsidies and movements toward universal access to child care. Wage boost strategies should consider how compensation improvements will impact parents and caregivers, since private pay/ enrollment are large factors in determining provider wages in child care settings and the full cost cannot fall on families.
- Support the development of community-designed pathways to accreditation.
- Support compensation of home visiting programs for virtual as well as in-person visits across funding streams to reduce the transportation costs that home visitors incur.
- Continue to listen, learn, and meaningfully engage with community partners in the child care and home visiting fields to continue to understand how best to support them, including family, friend, and neighbor caregivers.



Here's the Opportunity

King County is taking the lead on evidencebuilding strategies to expand and strengthen the child care system. In 2022, King County **Executive Dow Constantine and Seattle** Mayor Bruce Harrell announced and fulfilled \$7.4 million for one-time retention bonus payments to more than 12,000 child care professionals across the County through Best Starts for Kids levy and the JumpStart Payroll Expense Tax. Nearly 90% of King County's eligible licensed child care providers applied for these one-time \$400-\$500 payments. In 2023, Best Starts will begin rolling out a \$30 million investment in a demonstration project to boost wages by about \$2/hour for approximately 1,400 child care professionals.



And yet, it is not enough to meet the scale of the challenge. These short-term and relatively meager wage boosts are only part of the solution and will not reach every child care professional and home visiting professionals are simply left out. There is an incredible opportunity for King County to become a shining example and create an evidence base for how community, funders, and policymakers can partner together to boost wages equitably in the child care and home visiting fields, creating the conditions for these professionals and the children and families they serve to thrive.

While King County's regional economy is projected to continue its rapid growth, inequities will continue to widen among King County's residents without a continued thoughtful public-private economic and workforce development strategy. As we begin to emerge from the pandemic-induced economic recession, King County seeks to work in partnership with private philanthropy and the vibrant business sector to shape this growth and more meaningfully share prosperity with priority populations, drive targeted growth in vulnerable industry sectors,



demonstrate lessons learned from the emergence of previous recessions, which have led to exacerbated inequities, and **create a welcoming community where every person can thrive**.

Funders and private sector partners can be part of the solution and join Best Starts for Kids to demonstrate what local communities can achieve together by intentionally addressing wage issues in the child care and home visiting fields, creating stability for families, and creating communities where children thrive.