

Benefits, Rewards, & Support: Incentives to Build Quality and Increase Retention in the Iowa Child Care Workforce

Lack of health and retirement benefits, low wages, few paid professional development options, limited business and marketing training opportunities and a perceived lack of respect for early child care and education professionals may be muting Iowa's economic development efforts, according to a new Iowa State University study.

With more than 12,000 facilities providing early care and education services to more than 570,000 children under the age of 13 and employing more than 17,000 Iowans, the study finds high employee turnover and overhead costs may combine to jeopardize the ability of quality programs in the state to continue operating.

Research shows that high turnover affects the quality and experience of early childhood learning by limiting the stable relationships children need with adults to promote learning and socialization. Turnover also wastes training money, focuses the few available training efforts on entry level-skill development, and curtails the availability and accessibility of quality child care in the state.

"The most recent estimate of teacher turnover in Iowa's non-publicly funded child

care centers is 20 percent annually, while centers are experiencing assistant teacher turnover at a rate of 45 percent," Kathlene Larson, research director for the Community Development-Data Information and Analysis Laboratory in Iowa State's department of sociology and lead researcher for the study, said. "Turnover is significantly higher in urban than in rural centers. In publicly funded programs, turnover is negligible."

Staffing in Iowa's child care centers varies greatly, the study noted. Some programs may have as few as one teacher with six assistant teachers serving a total of 60 children while other programs have no assistant teachers.

Child care center teachers in Iowa earn an average annual salary of \$20,316. Assistant teachers earn an average of \$15,115. Most teachers have at least an associate degree. Only about a third of child care centers provide health insurance benefits that are either fully or partially funded by the center. Dental coverage is offered by only 17 percent of those firms. Other benefits such as retirement, professional development and sick day pay, are even less available. Centers based in rural areas report even lower wages and fewer benefit opportunities.

"Inadequate wages and/or benefits drive knowledgeable and highly motivated child development professionals out of the early care and education field even though many of those people see this type of work as a calling," Susan Hegland, associate professor of human development and family studies and a consultant on the study, said. "Currently, wages in early care and education are lower than wages for custodial workers and animal caregivers. Affordable health insurance is

frequently mentioned by practitioners as a key for them to stay in the field."

The study recommends four strategies to help secure sustainable and high-quality early childcare and education programs in Iowa.

1. Increase the size and variety of financial incentives. For example, creating hiring bonuses based on education levels. For in-home providers, start-up loans could be tied to competency in operating a small business or completion of training. Also, existing programs that provide limited subsidies for continuing education could be expanded to support education beyond an associate degree. Another possibility would be to create wage supplements that are tied to demonstrated competency and experience.

2. Make health insurance and retirement planning available. The study recommends providing health insurance and retirement benefits similar to those now provided to teachers in Iowa's public education system.

3. Expand the availability of business training and technical assistance for center administrators and developing similar training and support for in-home providers. The study also recommends financial bonuses or an incrementally paid subsidy system for completion of the training. As part of the training, the study suggests including information on how center owners can develop and sustain cost-effective benefit packages for staff.

4. Create public awareness of early care and education as a highly respected and important profession.

The researchers suggest creation of a structure that recognizes education and quality efforts for early care and education practitioners

The study notes that early child care issues are rising to a critical level in Iowa because parents alone can no longer afford to pay rates that are high enough to sustain quality child care education activities, and many of the state's child care providers are losing money or making minimal profits.

"The state needs to 'decouple' what parents can afford to pay and what the early care and education workforce needs in order to provide quality care," Larson said. "Data shows Iowa parents struggle to pay for the care they are able to find. They will not be able to absorb the costs of improving how the state recruits, professionally develops and retains a high-quality early care and education workforce."

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