SENATE RESOLUTION 29
Executive Summary

Louisiana has made substantial strides in creating a unified statewide early childhood care and education (ECE) system focused on quality and quality improvement—with real results. However, there will be obstacles to further progress without addressing the serious challenges facing the majority of the early education workforce and the resulting turnover and instability, particularly in the child care sector. This report presents key information about the costs of and funding mechanisms for early childhood care and education in Louisiana and the impacts on the early education workforce including (1) the prevalence of turnover, (2) potential drivers of turnover such as workforce wages and wellbeing, and (3) policies used in other states to address turnover.
Key Findings:

- The cost of child care for families in Louisiana is high— as much as $15,000 annually— and the financial foundation of the child care sector is rocky.
- Despite the evidence to support the benefits of ECE, fewer than 7 percent of economically disadvantaged children birth through age two and less than 33 percent of economically disadvantaged three year olds can access high-quality early childhood care and education in Louisiana.
- Research shows that high levels of teacher turnover have negative impacts for kindergarten readiness: high rates of teacher turnover impact the children in the classroom, contributes to the instability of the child care sector, and erodes the benefits of statewide quality improvement efforts aimed at developing teachers’ skills, knowledge, and abilities.
- Unique Louisiana data show that rates of teacher turnover are very high for early childhood educators. About 35 percent of teachers in early childhood classrooms leave their sites each year. That rate is closer to 44 percent in child care centers. Just one-third of teachers observed in Louisiana’s publicly-funded early childhood classrooms are still there three years later. These rates are substantially higher than for K-12 teachers.
- Louisiana child care teachers often work for close to minimum wage with typically no benefits. Recent Louisiana data suggest that child care teachers make about $20,000 annually, less than half of what their school-based counterparts earn. This salary is less than the federal poverty level for a family of three in 2020, so it is perhaps unsurprising that nearly 27 percent of child care teachers also report working a second job.
- More than 50 percent of early educators in child care report being unable to pay for medical expenses, 40 percent are food insecure, 30 percent report difficulty paying rent, and more than 20 percent report clinically-relevant levels of depressive symptoms.

Teacher turnover, teacher compensation, and early childhood care and education quality are inextricably related and key considerations for efforts to support the development of Louisiana’s children. The COVID-19 pandemic has impacted the child care field and child care teachers, who often live in poverty, further exacerbating existing challenges. Identifying solutions that stabilize the financing of child care and inject more funding into the early childhood ecosystem will aid children and families, support small business owners, and ensure efficient use of policy resources in the future. This report will review the data for both Louisiana and the nation to better understand the workforce constraints faced.

Report Recommendations:

- Policymakers should consider the Early Childhood Care and Education Commission’s recommendations to make an initial state investment of $85.8 million, and an increase of nearly that amount each year over ten years in order to fund LA B to 3. Such an investment would not only transform the lives of children and their families, but could also be designed to contribute to the long-term financial stability of the child care sector and its workforce.
- It is unlikely that state and federal investments will be sufficient alone to effect the change desired. Louisiana should also pursue every opportunity to support local revenue generation and innovation, such as by empowering Ready Start Networks and by identifying potential new revenue streams for the Early Childhood Fund.
● The LDOE should continue to research policy solutions—such as novel CCAP reimbursement models or the scaling of contract-based ECE seats—that could be implemented to improve the stability of the child care sector, leading to positive impacts on children, families, educators, and child care providers.

Section 1: A Critical Infrastructure - The Child Care Marketplace

A large body of research demonstrates the importance and value of high-quality early childhood care and education (Yoshikawa et al 2013). Participation in high-quality early childhood care and education (ECE) has long-lasting positive impacts for children that lead to higher IQ and achievement test scores, fewer grade retentions and placements in special education, higher levels of college graduation and job-holding, and healthier outcomes as adults. Additionally, the Louisiana Early Childhood Care and Education Commission’s LA B to 3 report (2019) and addendum (2020) find that access to publicly-funded early childhood care and education in Louisiana also supports a successful workforce and economy. Even prior to the COVID-19 pandemic, Louisiana’s economy lost an estimated $1.1 billion annually due to absences and turnover resulting from child care issues (“Losing Ground,” 2017).

Through the passage and implementation of Act 3, Louisiana has received national attention for the significant strides it has made toward developing a unified and high-quality early childhood system (Bassok et al., 2019; Lieberman 2018). However, despite these gains, significant barriers exist for families to access high-quality early childhood care and education in Louisiana. Fewer than 7 percent of economically disadvantaged children birth through age two and less than 33 percent of economically disadvantaged three-year-olds can access high-quality early childhood care and education in Louisiana.

The ECE market relies heavily on child care centers, which are typically operated as independent, small businesses in Louisiana. Child care providers face increased costs when they increase the quality of care (for example, lower child-adult ratios, smaller group sizes, training and professional development, etc.). Given the large share of income already devoted to pay for child care, not every family can absorb the increased costs of care, and child care providers set their rates at a level that the market can bear. As a result, child care providers rely on extremely narrow profit margins, making it difficult for providers to pay child care teachers competitive wages, which likely contributes to the troubling levels of ECE teacher turnover detailed in this report. The rocky financial foundation of the child care sector means that families often struggle to find reliable, affordable, and high-quality care in their community. This is especially true for families with infants and toddlers, for whom care is costlier to provide.

In order to ensure that all families in Louisiana can access high-quality early childhood care and education for their young children and that child care centers can attract and retain qualified staff, efforts should be made to increase the overall number of families that can access early childhood care and education in the child care setting through public funding, to fund child care at a rate that more closely approximates the cost of providing care, and to implement child care payment structures that increase financial stability.
The Costs of Child Care for Families in Louisiana

Louisiana families currently pay high prices for child care (see Figure 1). In fact, it is currently cheaper to attend Southeastern University for a year ($8,454.00) than it is to have an infant in child care. The average annual child care costs in Louisiana in 2019, as reported by Child Care Aware’s annual report on nationwide child care costs, reached $8,580 for one infant (Child Care Aware, 2019). On average, for families paying for early childhood care and education and not receiving any type of subsidized care, the average monthly cost of early childhood care and education was $638 per child per month, or $15,305 per year for a family with two children (Child Care Aware, 2019). Louisiana Policy Institute for Children’s 2020 Parent Poll provided similar data (see Figure 1). This is a substantial cost even for middle-class families.

In Figure 1:

When compared to the cost of care in other southern states, Louisiana falls somewhere in the middle. Louisiana’s cost of care for families is higher than Alabama, Arkansas, and Mississippi, but lower than that of Florida, Georgia, and Texas (see Table 1).
Table 1: Cost of early childhood care and education in the Southern region of the US

<table>
<thead>
<tr>
<th>State</th>
<th>Average annual cost</th>
<th>State</th>
<th>Average annual cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$7,280</td>
<td>Louisiana</td>
<td>$8,580</td>
</tr>
<tr>
<td>Arkansas</td>
<td>$6,443</td>
<td>Mississippi</td>
<td>$5,760</td>
</tr>
<tr>
<td>Florida</td>
<td>$9,312</td>
<td>Texas</td>
<td>$9,864</td>
</tr>
<tr>
<td>Georgia</td>
<td>$8,729</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Families with low incomes that are working, in school, or actively seeking work are eligible for the Louisiana Child Care Assistance Program (CCAP), which provides a subsidy to assist with the cost of child care. The Louisiana Department of Education administers CCAP and provides reimbursements of up to maximum daily rate (established in Bulletin 139) to child care providers enrolling children authorized for CCAP. When the rate a child care center charges exceeds the CCAP reimbursement rate, the family is required to pay the difference. Historically, CCAP payments have been made based on daily child attendance, permitting five excused absences per month. Child care centers that rely on CCAP reimbursements to cover payroll costs may struggle to do so if children’s attendance fluctuates -- a child’s sickness or a family’s sudden departure may have a significant impact on a center’s bottom line and prevent child care providers from being able to budget and plan with certainty or make large changes to operating costs, such as raising teacher wages.

In Louisiana, CCAP reimbursement rates have historically been set based on findings from a child care market rate survey, administered every three years. The Louisiana Market Rate Survey, most recently administered in 2020, captures data on the rates charged by child care providers across the state. While CCAP subsidies help parents afford care, the 2020 CCAP reimbursement rates are insufficient to cover the average rate charged by child care providers. In fact, the 2020 Louisiana Market Rate Survey finds that the CCAP reimbursement rates used in 2019 and 2020 fall at or below the 25th percentile of rates charged statewide for each age group served. This means that families may only be able to afford 25 percent of the child care options available to them. Additionally, the burden of collecting family copays is placed on child care providers, adding additional stressors to centers’ budgets and potentially preventing providers who serve children from low-income families from increasing teacher compensation.

In January of 2021, the Board of Elementary and Secondary Education approved a proposal by the LDOE to increase CCAP reimbursement rates, such that they fall at or above the 75th percentile for every age group served. This is a promising first step to raise the CCAP reimbursement rates to an amount closer to the true cost of providing care.
### Table 2: New CCAP Reimbursement Rates for 2021

<table>
<thead>
<tr>
<th>Child Care Provider Type</th>
<th>Regular Care for 3 year olds and above</th>
<th>Regular Care for Toddlers</th>
<th>Regular Care for Infants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PREVIOUS RATE</td>
<td>NEW RATE</td>
<td>PREVIOUS RATE</td>
</tr>
<tr>
<td>Type III Child Care Centers</td>
<td>$22.00</td>
<td>$30.00</td>
<td>$23.75</td>
</tr>
<tr>
<td>Family Child Care Providers</td>
<td>$17.00</td>
<td>$25.00</td>
<td>$18.00</td>
</tr>
<tr>
<td>In-Home Providers</td>
<td>$17.50</td>
<td>$25.00</td>
<td>$17.50</td>
</tr>
<tr>
<td>School Child Care Providers</td>
<td>$16.50</td>
<td>$24.00</td>
<td>$16.50</td>
</tr>
<tr>
<td>Military Child Care Centers</td>
<td>$22.00</td>
<td>$30.00</td>
<td>$23.75</td>
</tr>
</tbody>
</table>

The Compounding Impacts of COVID-19 Operating Constraints

The impacts of the COVID-19 pandemic on the child care sector are significant. Though early childhood sites were not required to close under the stay-at-home order, more than 70 percent of child care centers closed their doors during COVID’s initial peak in April. Those that remained open primarily served the children of workers on the frontlines of the response effort.

The Louisiana Policy Institute for Children administered a series of surveys to child care providers on the impacts of COVID-19 on the child care field. Seventy-seven percent of child care providers have reported a loss in revenue due to the pandemic, and the losses are estimated at $110,000 per center (Louisiana Policy Institute for Children, 2020). In a survey collected in Louisiana in April and May of 2020, 25 percent of centers that shut down reported they did so because of increased operating costs; another 20 percent cited staffing challenges (Bassok et al., 2020). It is estimated that 46 percent of child care centers have laid off staff due to the pandemic, and on average, enrollment is 30 percent less than usual (Louisiana Policy Institute for Children, 2020).

Through the CARES Act, Louisiana received $67 million to support child care recovery. Using those federal relief funds, LDOE has provided a number of financial supports to families and child care providers. These supports have included four rounds of direct financial support grants for CCAP providers (LaCAP grants), shifting the CCAP reimbursement structure to pay providers based on child enrollment instead of attendance, expanding CCAP eligibility during the state’s stay at home order to include children of frontline workers, provided PPE, and expanded mental health consultation for child care providers. These supports have proven critically important to keep child care providers in business. As of December 2020, only 2 percent of child care centers remained closed due to COVID-19. However, the centers that remain open continue to face significant COVID-related financial challenges. Additional federal
and state funding will be necessary to ensure more child care providers do not close their doors permanently.

Opportunities to Increase Financial Stability in the Child Care Sector

To address the challenges faced by the child care sector and the compounding effects of COVID-19, including the mounting early costs for families and the high rates of teacher turnover detailed in later sections, Louisiana should consider steps that would help stabilize the early child care market. Recommendations fall broadly into three categories: 1) consider recommendations by the Early Childhood Care and Education (ECCE) Commission to increase state investments in early childhood care and education, 2) empower Ready Start Networks to effect change at the local level, and 3) implement state-level policies to help stabilize the child care sector.

- **Consider ECCE Commission Recommendations to Increase State Investments:** The Louisiana Early Childhood Care and Education Commission recommends an initial state investment of $85.8 million, and an increase of nearly that amount each year over ten years in order to fund LA B to 3. An injection of this amount of funding into the child care ecosystem not only has the potential to transform the lives of children and their families, but also could be designed to contribute to the long-term financial stability of the child care sector. This could have positive impacts on early childhood teacher turnover, compensation, and wellbeing.

- **Empower Ready Start Networks to Effect Change Locally:** It is unlikely that federal or state funds alone will be enough to meet the child care needs of economically disadvantaged families in the state. Ready Start Networks offer a promising model for building local capacity to raise funds and revenue locally. The state could incentivize increased local investment by identifying new, additional revenue streams for the Early Childhood Fund, which requires local entities to provide a 1-to-1 funding match to be eligible for these funds. Additionally, by making decisions and designing systems at the local level, Ready Start Networks may be able to develop innovative solutions to workforce challenges and high teacher turnover rates in their communities.

- **Implement State-Level Policies to Stabilize Child Care:** The LDOE should explore improvements to state-level policies and processes that could help stabilize the child care market. Steps already taken, like raising the CCAP reimbursement rate and making CCAP reimbursements based on child enrollment during the pandemic, will likely be helpful first steps. Other opportunities may include exploring long-term alternatives to or hybrids of a daily attendance-based reimbursement model and scaling a contracted seats model for 0-3 seats, both of which may provide more financial predictability for child care.

**Section 2: Early Childhood Teacher Turnover, Compensation, and Wellbeing**

The financial instability described in Section 1 of this report has deleterious impacts on early childhood teacher turnover, compensation, and wellbeing, all of which impact the quality of care
provided. Section 2 of this report will detail alarmingly high rates of teacher turnover -- about 37 percent of teachers in early childhood classrooms leave their sites each year, and that rate is closer to 50 percent in child care centers -- and some of their likely antecedents, like low teacher compensation and stressful working conditions.

The high rates of teacher turnover in early childhood care and education settings detailed here have real implications for the experiences children have in their early childhood years, with impacts on kindergarten readiness. Additionally, these levels of turnover may erode the benefits of investments made in quality improvement and workforce development. Teacher turnover in early childhood care and education settings is likely a function of the working conditions experienced in Louisiana. As detailed below, Louisiana child care teachers often work for close to minimum wage with typically no benefits.

In order to improve the working conditions of early childhood educators and create or incentivize the conditions that lead to employee retention, Louisiana should consider the recommendations to stabilize the child care sector outlined at the end of Section 1. Additionally, Louisiana should explore innovative local and national approaches to incentivizing teacher retention and increasing teacher pay.

**Early Childhood Teacher Turnover in Louisiana**

Teacher turnover in early childhood care and education settings has real implications for Louisiana children and families, for individual ECE sites, and for policy investments in ECE. The bond very young children form with a teacher or caregiver is the foundation of their learning and development in early childhood care and education settings; turnover is disruptive to these relationships and negatively impacts children’s development (Markowitz, 2019; Ronfeldt, et al., 2013; Tran & Winsler, 2011). For child care centers, high turnover rates complicate directors’ ability to improve center climate, make instructional changes, and otherwise engage in the kind of professional development that might improve the care they provide children (Totenhagen et al., 2016). Statewide, high levels of turnover may compromise investments in quality improvement and workforce development.

Though teacher turnover is presumed to be high in early childhood, data are limited and often drawn from data sources that may systematically over- or under-count turnover (Whitebook, McLean, & Austin, 2018). Louisiana’s unified quality rating system, enacted in response to Act 3, presents an opportunity to track turnover in early childhood in an unprecedented way.

As part of its unified quality rating system, Louisiana collects observational data twice a year in every classroom serving toddler- or preschool-aged children within all publicly-funded, center-based early childhood care and education sites (infant classroom observations were not required in policy until 2019). Included in these observations are the names of lead teachers in the classroom at the time of the observation. Matching teachers across years and sites allows the tracking of teachers of toddler- and preschool-aged children between the fall of 2015 and the fall of 2019 and therefore, the ability to track turnover (see Bassok, Bellows, Markowitz, & Sadowski, 2021). The figures below follow the cohort of teachers observed in publicly-funded, center-based early childhood care and education in Louisiana during the fall of 2016 (~5,100 teachers in ~1,600 sites) through the fall of 2019 (a three-year period).
Figure 2 displays the proportion of this cohort of teachers who remained in publicly-funded child care centers over the 3-year (or 6-semester) period beginning in the fall of 2016 and ending in fall 2019. From the fall of 2016 to the spring of 2017, 12 percent of teachers left their sites, as evidenced by the drop from 100 percent to 88 percent in the figure. By the next fall, only 65 percent of these teachers were still observed teaching at the same site. That is, after one year of teaching, 35% of teachers left their school or center. At the end of three years, only about one-third of early childhood care and education teachers were still observed teaching at the same site. These rates are substantially higher than national rates for K-12 teachers: only about 5 percent of K-12 teachers leave their school during a given school year, and only 15 to 25 percent of K-12 teachers leave their school by the end of each year, a 10-20 percentage point difference (Papay et al., 2017; Redding & Henry, 2018). After three years, 45 to 64 percent of K-12 teachers were teaching at the same school (Papay et al., 2017). Additional, Louisiana-specific data on K-12 teacher retention and pay will be included in the final draft of this report.
It is important to note that these data cover all lead teachers in publicly-funded early childhood care and education sites in the entire state. These data show that the majority of early childhood care and education teachers leaving their sites are not taking positions at any other publicly-funded sites in Louisiana. Figure 3 overlays site-level survival with overall survival in early childhood care and education (ECE). At the end of three years, an additional seven percent of teachers were still teaching in early childhood care and education but left their initial sites. However, the vast majority left teaching in early childhood care and education in Louisiana entirely: of teachers observed in the fall of 2019, nearly 60% percent were not observed working in early childhood care and education by the fall of 2019.
Those overall retention rate estimates mask large differences in teacher retention patterns by site type. For example, after one year of teaching, 44% of child care teachers have left their site as compared to 25% of teachers in school-based settings. Similarly, whereas the three-year retention rate was 34 percent overall (Figure 1), Figure 4 shows that almost half (46 percent) of teachers at school-based sites were still teaching at the same site in the fall of 2016. This estimate for teachers at school-based sites is within the range of three-year retention rate estimates reported for K-12 teachers (Papay et al., 2017), though just barely, suggesting that the early childhood care and education workforce is less stable than the K-12 workforce, even at school-based sites. Retention at Head Start sites was less than observed at school-based sites: about one-third of Head Start teachers were at the same site at the end of three years. Finally, just one-quarter of teachers observed at child care sites were still teaching at the same site at the end of three years.
The same data can be used to probe further into the high rates of turnover at child care sites. Child care sites typically serve children from birth through age five, and thus lead teachers within child care sites can have widely varying job descriptions and daily responsibilities. The unified quality rating system data show that within child care sites, teachers of toddler-aged children leave at higher rates than teachers of preschool-aged children (see Figure 5). Within three years, only 22 percent of teachers of toddler-aged children were still teaching at the same child care site, whereas 29 percent of teachers of preschool-aged children were teaching at the same child care site. Most of this difference is driven by early differences in retention: a much higher percentage of teachers of toddler-aged children left their sites following the first year of observation, as compared with teachers of preschool-aged children. Indeed, nearly three-quarters of teachers of toddler-aged children left following their initial semester of observation.
Initial drops in retention (after the Fall 2016 semester or at the end of the 2016-2017 school year) shown in previous figures are substantially larger than subsequent drops for two reasons. Mechanically, as the number of teachers declines, early decreases in retention may appear larger than later decreases in retention even if the proportion of teachers leaving at each time point is the same. However, that is also because the cohort of fall 2016 teachers are a mixture of teachers by experience level: while some are new to early childhood education entirely, others are returning teachers to the same site or teachers transferring sites.

As in K-12 education, first-year early childhood care and education teachers are much more likely to leave their positions than returning teachers. Figure 6 below shows that just seven percent of returning teachers left their sites between the fall of 2016 and spring of 2017; in contrast, over 20 percent of beginning early childhood care and education teachers left their sites mid-year in 2016-2017. By the subsequent year, half of teachers who first started in the fall of 2016 left their sites. Within three years, four out of five beginning teachers left their initial sites.
COVID-19 has exacerbated staffing challenges in child care centers. Regulations around ratios and distancing have required centers to take on new staff even as retaining staff has become more difficult. In a fall 2020 survey of early care and education site leaders, leaders reported that staff retention poses a challenge, and is likely to get worse as grants that allow them to pay staff overtime, hazard pay, or while quarantining run out. Staff anxiety is high, morale is low, and they are being asked to do more with less. More than 60 percent of leaders reported that they were asking staff to take on more responsibilities than before the virus, and many stressed that both recruitment and training have been extremely difficult. One leader noted, “Teachers have taken on so much more responsibility. It has been challenging for them to manage all of it and their teaching. When one person is out or sick, there is a domino effect and requires teachers to take on extra duties, etc. and to lose planning and prep.” “Teacher morale is incredibly low,” another leader said, “Nobody wants to take on the stress and responsibility of taking care of young children for minimum wage.” Overall, more than half of leaders reported that staffing was a challenge in the fall of 2020.

Compensation of Early Childhood Teachers in Louisiana

Teacher turnover is likely a function of working conditions- both teacher pay and benefits as well as the stresses and supports teachers experience on the job. Jobs with low levels of pay and high stress typically manifest high turnover rates, and data suggest that ECE teacher turnover decreases as pay increases (Herbst, 2016).
Nationally, the early childhood care and education workforce is poorly compensated, lacks access to comprehensive benefits, and typically does not have the financial resources required to pay for further education (e.g., Whitebook, Phillips, & Howe, 2014). This is also the case in Louisiana.

Data from a 2018 workforce survey conducted in Louisiana (Bassok et al., 2019) show that on average, lead teachers in child care earn an annual salary of $19,785, just half of what school-based lead teachers earn (on average $39,748, see Figure 7). Despite this gap, child care teachers reported working slightly more hours weekly than school-based teachers (37 and 34, respectively, not shown).

*Figure 7:*

![Estimated Annual Salaries of Site Leaders and Lead Teachers Overall and by Site Type](image)

This salary is less than the federal poverty level for a family of three in 2020, so it is perhaps unsurprising that nearly 27 percent of child care teachers also report working a second job. The average wage nationally for an early childhood care and education teacher is $25,510 (U.S. Bureau of Labor Statistics, 2020). The Louisiana rate of pay is dramatically lower than the national average, $20,320 a year (see Figure 8).
Notably, preschool teachers across sectors in Louisiana also receive lower pay on average than those in many other states. For example, data reported in the National Institute for Early Education Research (NIEER)’s *Special Report: Supporting Teachers in State-Funded Preschool (2019)* found that Louisiana’s pay is lower than that of Texas or Alabama.

Teachers’ access to benefits also varies substantially by site type. Teachers working in private child care centers have access to very few benefits as compared to their counterparts working in Head Start and school-based settings. Most notable is that less than 10 percent of child care teachers report receiving health insurance benefits from their site. Though the data here is from 2018, the finding has been replicated across several waves of survey data (e.g., from 2019 and 2020), and is of particular concern during the current health crisis. A second key disparity is that under 10 percent of teachers report access to retirement benefits from their child care site, though more than 90 percent of Head Start and school-based teachers have access to this benefit.
Early Childhood Care and Education Teachers’ Wellbeing

The stress and working conditions faced by early educators have real implications for Louisiana children and families. The wellbeing of early educators is integral to their ability to serve young children. Teaching children in this age range of birth to five requires not only incredible patience and energy but also strong attention to detail and an ability to scaffold learning experiences for very young minds. Teachers’ abilities to build carefully organized classrooms that support student development, connect emotionally with young children, and use carefully structured language to push learning forward has been linked to children’s growth and development during early childhood and their eventual preparedness to succeed in kindergarten and beyond (Burchinal, 2017; Hamre, 2014).

A large body of research shows that early educators who are stressed, depressed, or otherwise compromised are not at their best and unable to serve young children at an optimal level (Buettner et al., 2016; Hamre & Pianta, 2004; Jeon et al., 2014; Ota et al., 2012; Sandilos et al., 2015; Whitaker et al., 2015). Data from a 2018 survey of early educators in Louisiana (that has since been replicated in research conducted in 2019 and 2020) suggested that early educators in Louisiana may fit this description. In 2018, 24 percent of early educators reported clinical levels of depressive symptoms (Bassok et al., 2019), and during April of 2020, the height of the first COVID-19 peak, that number was closer to 40 percent (Markowitz et al., 2020). At both time points, those numbers were substantially higher than for low-income women in other professions (National Institute of Mental Health, 2019).

That distress may be related to the financial struggles those educators face. More than 40 percent of early educators surveyed in 2018 were food insecure; that is, they did not have consistent access to enough food to fuel a healthy and active life (Bassok et al., 2019). That has not improved with the arrival of COVID-19 (Markowitz et al., 2020).

That is not the only basic need early educators in Louisiana struggle to meet. Data from 2018 (Figure 9 below) showed that 50 percent or more of early educators in child care and Head Start settings reported being unable to pay for medical expenses. Nearly 50 percent of school-based teachers and more than 60 percent of Head Start and child care teachers reported being unable to pay for debts. Nearly 30 percent of Head Start and child care teachers reported trouble paying rent. Such conditions are not conducive to providing high-quality care to young children.
Early Childhood Teacher Preparation in Louisiana

Regardless of age or grade taught, teachers do complex work that requires training and preparation. High-quality lead teacher preparation programs combine relevant coursework with the opportunity to apply theory and research to practice under the guidance of an experienced coach, whether at a bachelor’s degree or another education level. Teachers’ access to these training experiences is limited however and, like turnover and compensation, varies substantially by sector.

Currently, more than 40 percent of Louisiana’s early childhood care and education lead teachers have no further education beyond a high school degree. Consistent with education requirements placed on teachers in school-based but not other early childhood care and education settings, teachers with BA degrees are clustered in school-based settings. As seen in Figure 10, whereas nearly all lead teachers in schools have at least a BA, just 12 percent of child care teachers and 34 percent of Head Start teachers do.
A New Education Credential: The Early Childhood Ancillary Certificate

This education gap reflects the large discrepancies observed in both turnover and wages. Unfortunately, attaining BA degrees or other types of training are often out of reach for child care teachers because of cost or time constraints or because there is no guaranteed increase in compensation for additional training. In an effort to address this issue and universalize teacher preparation experiences and professionalize the field of ECE, Louisiana’s Board of Elementary and Secondary Education has defined a minimum expectation with the development of the Early Childhood Ancillary Certificate (ECAC), a new type of teacher credential designed to streamline teacher knowledge and skills and to provide a unified vision of ECE quality statewide.

Prior to the BESE-approved ECAC requirement, lead teachers were not even required to have a high school diploma. As of July 2018, however, all lead teachers in publicly-funded early childhood sites were required to complete ECAC coursework in a BESE-approved teacher preparation program within two years of being hired at a publicly-funded early childhood site. Teachers who held a BA could automatically earn an ECAC without attending a program. ECAC programs train candidates on high-quality adult-child interactions (as measured by CLASS®, Pianta, et al., 2007), the use of child assessments, high-quality curriculum, and strategies to support children’s growth and development across the birth through age 5 spectrum. BESE-approved ECAC programs go through a rigorous application process to determine if the program provides quality coursework and job-embedded coaching along these domains. The typical program requires a year to complete and is about the equivalent of three college courses. Importantly, lead teachers in publicly-funded early childhood sites are currently eligible to receive scholarships covering the entire cost of attending, making the ECAC more accessible for child care teachers making low wages. Louisiana currently offers 29 BESE-approved ECAC programs located throughout the state, and, as of November 2020, there have been 7,768 ECACs issued through both ECAC program completion and the BA pathway.
Lead teachers who receive the ECAC and remain in the field of early childhood education are eligible for the highest levels of the school readiness tax credit, which amounts to an annual wage supplement of $3,511. The school readiness tax credit is a refundable tax credit for which all lead teachers in Type III centers are eligible. These refundable tax credits act as wage supplements, boosting teacher incomes. In the 2019 tax year, 4,655 teachers and directors were able to claim $13,722,424 in tax credits (average per person amount $2,902.84). Creating pathways for early childhood educators to earn credentials and degrees is an important way to highlight the professional caliber of the early education workforce. Offering financially feasible pathways to these certifications and degrees can also provide opportunities for upward mobility for a historically disenfranchised workforce. Louisiana should explore developing a series of articulation agreements resulting in a pathway for the ECAC to transfer smoothly into an associate’s degree, and then into a bachelor’s degree.

**Landscape of Similar Professions**

Early childhood care and education is a unique vocation. The Bureau of Labor Statistics captures national data on teachers who work with children from birth to four years old and also publishes comparisons to similar occupations. This report has attempted to capture data for those teachers who work with the birth to four-year-old population; however, the Bureau of Labor Statistics reports data separately for the classifications of ‘preschool teacher’ and ‘child care worker.’ As both categories are described as working with this population, both data sets are reported.

The similar professions for early childhood care and education are home health services, social work, and K-12 education. All three of these professions involve the care and education of others. All three of these professions involve a post-secondary credential.

**Compensation of Similar Professions**

Child care workers receive fewer benefits, work for lower wages, and have higher turnover rates than other similar professions. Table 3, below, from the [Bureau of Labor and Statistics (2020)](https://www.bls.gov) reflects the stark difference between Louisiana’s child care workers’ compensation and the national average.

**Table 3: Annual mean and hourly wage by profession**

<table>
<thead>
<tr>
<th>Profession</th>
<th>Annual Mean Wage</th>
<th>Mean Hourly Wage</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health and</td>
<td>$26,440-National</td>
<td>$12.71-National</td>
<td>$12.15-National</td>
</tr>
</tbody>
</table>
### Section 3: Review of State and Local Policy Efforts to Increase ECE Compensation and Reduce Teacher Turnover

In recognition of the high levels of teacher turnover in child care centers and the very low wages typical of the sector, multiple states and localities have implemented programs designed to increase retention of the early childhood care and education workforce through salary supplements. These programs differ in terms of amount offered, eligibility criteria, whether amounts are scaled based on teachers’ prior levels of education, and other features, as detailed in Table 4.

#### Table 4: State Salary Supplement Programs for the ECE Workforce

<table>
<thead>
<tr>
<th>Location(s)</th>
<th>Program</th>
<th>Eligibility</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ</td>
<td>Professional REWARD$ Program (Arizona Early Childhood 2020)</td>
<td>Individuals working for child care program or family home provider in a First Things First Region. Employer must meet certain quality requirements. Individuals must work at least 30 hours a week for at least 12 months and meet certain education and PD requirements. Income cap $20 an hour.</td>
<td>Ranges from $500 to $2000.</td>
</tr>
<tr>
<td>DE</td>
<td>WAGE$ Delaware (Deayc, 2020)</td>
<td>Individuals with at least 6 credits in early childhood care and education and work with children at least 10 hours a week for 6 months at a licensed program. Income cap is $17 an hour.</td>
<td>Ranges from $200 to $5000. Average 6-month supplement for FY19 was $1023.34.</td>
</tr>
<tr>
<td>FL: Broward, Miami-Dade, Pinellas, &amp; Hillsborough</td>
<td>WAGE$ (Florida Early Childhood Educator INCENTIVE$ Florida 2020)</td>
<td>Individuals work in a licensed or license-exempt early childhood care and education program for at least 20 per week for at least 6 months. Income cap is $17.50 an hour.</td>
<td>Ranges from $200 to $3000. Average annual stipend was $1286.</td>
</tr>
<tr>
<td>State</td>
<td>Program Name</td>
<td>Eligibility Criteria</td>
<td>Income Range</td>
</tr>
<tr>
<td>-------</td>
<td>--------------</td>
<td>----------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>IA</td>
<td>WAGE$ Iowa</td>
<td>Individuals work in an eligible early childhood care and education program in a funded county for at least six months. Most income caps are $15 an hour.</td>
<td>Ranges from $500 to $3500.</td>
</tr>
<tr>
<td></td>
<td>(Iowa Association for the Education of Young Children, 2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IL</td>
<td>Great START</td>
<td>Directors, assistant directors, teachers, and assistant teachers working at least 15 hours per week for licensed family child cares or group homes. Individuals must have been employed by current employer for at least one year (or 6 months if a higher rated program). Income cap is $18 an hour.</td>
<td>Ranges from $150 to $1950 based on education.</td>
</tr>
<tr>
<td></td>
<td>(Gateways to Opportunity, 2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MD</td>
<td>Child Care</td>
<td>Individuals must be employed for at least 1 year at a licensed child care program, work at least 10 hours per week, complete PD, and participate in the program.</td>
<td>Ranges from $200 to $1500.</td>
</tr>
<tr>
<td></td>
<td>Credential Program Achievement Bonus</td>
<td>(Maryland Department of Education: Division of Early Childhood, 2020)</td>
<td></td>
</tr>
<tr>
<td>MN</td>
<td>R.E.E.T.A.I.N.</td>
<td>Individuals who are licensed to provide child care or work for a licensed program. Individuals must work with the same group of children at least 30 hours per week and have worked in their current position for at least one year. Individuals cannot receive bonus in consecutive years (but can receive multiple years). Beginning in 2014, individuals must hold a MN Child Care Credential or Career Lattice Step of six or higher.</td>
<td>Range from $500 to $3500. Scoring criteria include length of service in current position, wages, career lattice step, training hours in past year, leadership activities, work with infants or toddlers, and prior receipt of grant.</td>
</tr>
</tbody>
</table>

22
<table>
<thead>
<tr>
<th>State</th>
<th>Program</th>
<th>Eligibility Criteria</th>
<th>Financial Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>MO</td>
<td>Workforce Incentive Program (WIN)</td>
<td>All individuals working in state-licensed center- and home-based child care facilities for at least 30 hours per week and nine months per year. Individuals at lowest levels of education required to complete six credits of child care-related coursework annually.</td>
<td>Range from $500 to $2500, based on the career lattice (individuals with higher education received larger bonuses)</td>
</tr>
<tr>
<td>NC</td>
<td>WAGE$ North Carolina</td>
<td>Individuals work at a licensed child care program in a participating county for at least 10 hours per week. Individuals must work at least 6 months in the same child care program and be employed at this same program when funding is available. WAGE$ sets an income cap, as well ($14, $16, or $18 an hour).</td>
<td>Ranges from $450 to $3000. Average 6-month supplement payment for FY18 was $992.</td>
</tr>
<tr>
<td>NM</td>
<td>INCENTIVES$ (New Mexico Child Care Education Association et al, 2020)</td>
<td>Individuals must work at least 10 hours a week with children at licensed early learning center, registered or licensed family child care, or EHS program. In a center, the program must serve at least 1 child on state child care subsidy. Must remain at same child care program for 6 month commitment period. Income cap was $16 an hour.</td>
<td>Ranges from $300 to $5000.</td>
</tr>
<tr>
<td>San Francisco</td>
<td>CARES 2.0</td>
<td>Individuals employed by licensed family childcare or center-based program funded by the Early Learning Scholarship or Preschool for All initiatives who work with young children for at least 20 hours per week.</td>
<td>Approximately $2000</td>
</tr>
<tr>
<td>WI</td>
<td>REWARD</td>
<td>Individuals work at least 20 hours a week at a licensed group early childhood care and education program or a licensed or certified family child care program. Individuals must have worked at current program for 3 years or have 6 years of experience working in regulated early learning centers. Income cap is $16.50 an hour.</td>
<td>Range from $50 to $450 based on educational background.</td>
</tr>
</tbody>
</table>
Early evidence on the effects of incentive programs on child care center teacher retention remains scant but appears promising. Participants in Minnesota’s R.E.E.T.A.I.N. program, which began in 2003 and offers providers between $500 and $3500 in bonuses, reported that receiving a bonus influenced their decision to stay (Shaw et al., 2018). In 2018, turnover reported for WAGE$ participants in North Carolina was only 14 percent, as compared to a statewide turnover rate of 31 percent (Child Care Services Association, 2018).

Gable et al.’s (2007) evaluation of Missouri’s Workforce INcentive Program (WIN) accounts for some of this difference by comparing participants within participating counties to individuals within a matched set of counties. The study found that 20 months after receiving bonus payments, 70 percent of participating teachers and directors were still in their position, as compared to 54 percent of teachers and directors in the comparison group. However, Gable et al. (2007) noted that the program, which was available to both teachers and directors, increased retention only for teachers, with no impact on directors.

The most rigorous examination to date of the effects of incentives on early learning center teacher retention comes from Virginia’s Teacher Recognition Program (The Study of Early Education Through Partnerships 2020). In 2019, as part of Virginia’s Preschool Development Grant Birth through Five (PDG B-5), some early educators in early learning centers, Head Starts, and pre-kindergarten programs were selected through a lottery to receive up to $1,500 if they remained at their site over an eight-month period. Overall, the incentive had a large impact on retention. At the end of the period, 25 percent of teachers who did not receive the incentive had left their site. In contrast, among those teachers who did receive the incentive, only 14 percent left. The effects were particularly large among early learning center teachers whose earnings are far lower than early educators working in public schools. Among early learning center teachers, the $1,500 incentive cut 8-month turnover rates in half, from 30 percent to 15 percent. These experimental results provide very strong evidence that investments in early educators can improve employment stability for those working with children during a critical developmental period.

Ready Start Networks also provide a promising model for innovation around enhancing teacher wages at the local level. Agenda For Children, the Ready Start Network lead agency for Orleans parish, has explored the issue of teacher wage supplements and their research concludes a modest hourly wage supplement would provide tangible benefits for reducing turnover (Agenda For Children, 2020). Agenda For Children’s partnership with the City of New Orleans to administer the Orleans Parish City Seats program, a contracted seats program for income-eligible children birth through age three, requires a stipulation that all participating child care providers must be in compliance with the city’s living wage ordinance. This provides an example of how locally innovative, contract-based seat programs can be used to require or incentivize wage increases for the child care workforce.

**Louisiana’s School Readiness Tax Credits**

Louisiana’s School Readiness Tax Credits (SRTC) are designed to help to improve the quality of child care and increase access to quality care for at-risk children by providing financial incentives for high-quality care to both teachers and ECE sites. The SRTC represents a $16
There are currently five School Readiness Tax Credits, all of which were made law in 2007:

- The Teacher and Director Tax Credit recognizes teachers and directors for their professional education and commitment to the field.
- The Provider Tax Credit rewards centers based on their quality rating and the number of Child Care Assistance Program (CCAP) or foster care children that are served. Centers become eligible if they participate in the statewide unified quality rating system, and their benefits increase with the proportion of at-risk children they serve.
- The Family Tax Credit supports families based on child care expenses, income, federal child care tax credit, state child care tax credit, and the quality rating of the center.
- The Business Tax Credit provides a credit for businesses that donated funds to child care centers to support eligible child care expenses, based on the quality rating of the center.
- The Child Care Resource and Referral Tax Credit provides a credit for businesses matched to the amount donated to Resource and Referral agencies up to $5,000.

These tax credits reduce the taxes paid by individuals and businesses dollar-for-dollar. Unlike a tax deduction, a tax credit is the whole value of the credit regardless of the tax bracket in which the taxpayer falls. The SRTC are refundable, meaning that they are available to a taxpayer even if they do not owe any taxes. If the SRTC exceeds an individual’s tax burden, then the taxpayer will receive a check for the difference after filing their taxes.

SRTC is currently the state’s largest investment in compensation support for the early childhood workforce. In the 2019 tax year, 4,655 teachers and directors were able to claim $13,722,424 in tax credits (an average amount of $2,902.84 per person).

Though promising, SRTC could do even more to incentivize teacher retention. Teachers may be unaware of the SRTC or unsure about how to earn it, reducing its ability to shape teacher behaviors. Indeed, a recent data collection in Louisiana showed that many early educators—particularly those who had not enrolled in an ECAC program—were unaware of the SRTC (The Study of Early Education Through Partnerships 2020).

**Conclusion**

Louisiana is home to some of the nation’s most innovative strategies to unify and improve the quality of its early childhood system and home to some of the most underpaid practitioners implementing these strategies. Early childhood care and education workers have made exceptional gains in quality of care for children, but high turnover rates, the financial instability of the child care sector, and high costs of child care for families result in far too few children accessing high-quality early childhood care and education in Louisiana. Teachers in child care settings make barely $20,000 annually, often with no benefits and, as a result, suffer tremendous financial and mental health consequences that COVID-19 has made catastrophic. Louisiana should consider recommendations made by the Early Childhood Care and Education Commission to increase state investments in early childhood. Additionally, Louisiana should empower local communities, in the form of Ready Start Networks, to generate revenue and
innovate locally. And finally, the Louisiana Department of Education should research policy changes that have the potential to shore up the stability of the child care sector. Combined, these efforts could result in an increase in the number of families who can access high-quality early childhood care and education in Louisiana, resulting in more children entering kindergarten ready for success.

Appendix A: Authors
This report includes work for the Study of Early Education through Partnerships team at the University of Virginia and the University of California at Los Angeles (The Study of Early Education Through Partnerships, 2020), and in particular work from Anna J. Markowitz, Daphna Bassok, and Laura Bellows.

Additional partners include Cynthia F. DiCarlo, Early Childhood Education Institute at Louisiana State University, RuthAnne Oakey-Frost and Libbie Sonnier at the Louisiana Policy Institute for Children.
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