

Preschool *Policy Matters*

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Low Wages = Low Quality Solving the Real Preschool Teacher Crisis

by W. Steven Barnett

Recruiting and retaining good teachers ranks as one of the most significant roadblocks to solving the preschool quality crisis facing this country. Evidence points to the low wages and benefits offered to preschool teachers as the single most important factor in hiring and keeping good teachers.

Despite the importance of their responsibilities, American preschool teachers are paid less than half of a kindergarten teacher's salary — less than janitors, secretaries, and others whose jobs require only a high school diploma and a few years experience. Pay and benefits for assistant teachers are even worse, with the full-time average wage too low to keep a family of three out of poverty.

The significance is clear. The social, emotional, educational and economic advantages from high quality preschool programs translate to better lives for children, their families, communities and society as a whole. Yet, poor pay and benefits threaten the delivery of these very high quality programs that can make such a dramatic difference for the nation and its children.

Solving the Teacher Crisis

What We Know

- **Poor pay and scant benefits prevent preschool programs from hiring and keeping highly effective teachers.**
- **Inadequate teacher compensation lowers preschool program quality and leads to poorer cognitive, social, and emotional outcomes for children.**
- **Preschool teachers are poorly paid compared to all workers and especially so compared to professionals with similar qualifications.**
- **Public policies to improve teacher compensation together with higher standards and accountability can improve preschool program quality and child outcomes.**
- **State policies to encourage improvements in preschool teacher quality and reduce turnover are too poorly funded to produce large, widespread gains.**

Policy Recommendations

- **Substantial increases in preschool teacher salaries and benefits are required to improve the educational effectiveness of public preschool programs.**
- **Head Start could raise teacher qualifications and compensation to the level of K-12 education in public schools with only modest annual increases in funding.**
- **State prekindergarten programs must have enough funds to ensure adequate and comparable pay in public schools and private contracted programs.**
- **State policies to subsidize the supply of good preschool teachers will succeed in the long run only if other state policies also support adequate pay and benefits.**

The most popular response to the recruitment and retention problem has been the T.E.A.C.H. Early Childhood® program (Teacher Education and Compensation Helps). T.E.A.C.H. originated in North Carolina and has expanded to 21 other states.

T.E.A.C.H. provides scholarships to assist child care workers with the costs of attending college including tuition, books, travel, and even work release time. Participants agree to continue their employment for a specified time and in most cases receive a bonus or pay increase upon completion of their educational objectives.

In North Carolina, T.E.A.C.H. has been supplemented by the Child Care WAGE\$® program, which provides bonuses or raises upon completion of education goals, and a program that increases T.E.A.C.H. participants' access to paid health insurance

How do poor pay and employee benefits harm educational quality?

Research on the relationship of teacher compensation to program quality finds direct and indirect links, making a strong case that inadequate compensation harms the quality of early education. Studies find preschool teacher compensation is directly associated with educational quality.¹ Studies that link compensation to teacher qualifications, teacher behaviors, morale and turnover explain this association. These teacher characteristics and behaviors, in turn, are linked to educational quality.

Preschool programs can hire teachers with stronger qualifications, more formal education and specialized training, only by paying them better salaries and benefits. An extensive array of studies has established that teachers' formal education and specialized training in early childhood education impact preschool education quality.²

Research has found that compensation also matters for teacher morale and for teaching behaviors that directly contribute to educational effectiveness, even apart from the teacher's formal education. Nevertheless, formal education remains an important determinant of specific teaching behaviors and the quality of teacher-child interaction.³ Studies further establish that preschool education quality significantly influences the learning and development of young children.⁴

Poor compensation also creates a preschool teacher retention problem. Preschool teacher turnover is high relative to other professions and teacher assistant turnover is even higher. Annual turnover rates of 25 to 50% are common for preschool teachers.

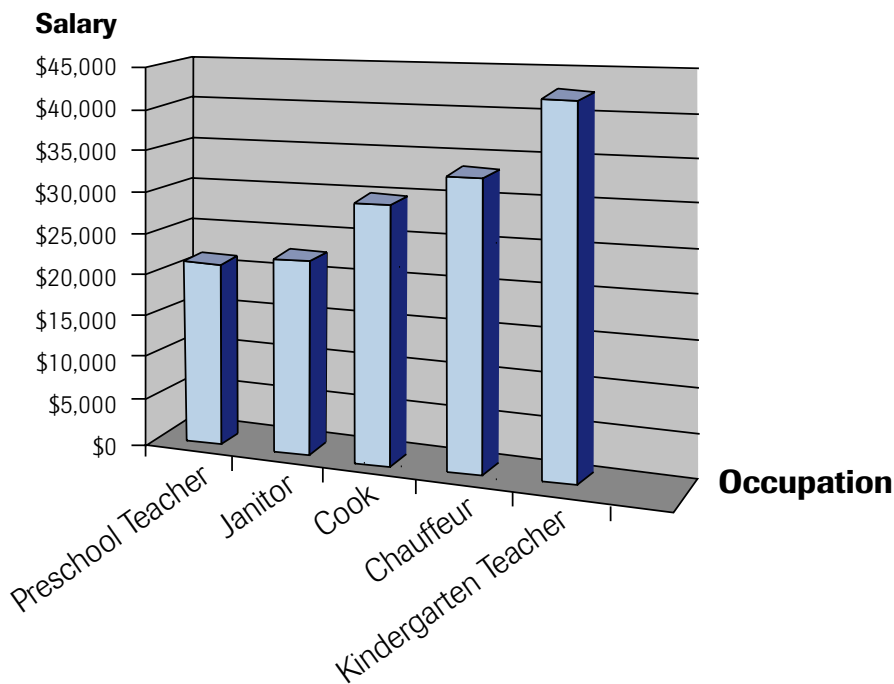
By comparison, the annual turnover rate for public school teachers is less than 7

percent. *Turnover is directly related to teacher compensation, and preschool programs with the lowest pay have the highest turnover.* Preschool teachers in public schools who are paid close to the public school teacher average have turnover rates comparable to that of other public school teachers.⁵

High teacher and teacher assistant turnover negatively affects children's learning and development. High turnover makes it difficult for children and teachers to maintain good social and emotional relationships, which are important for children's cognitive, as well as social and emotional, development. Among the adverse effects identified as related to high teacher turnover is increased aggression. Further, educational effectiveness suffers from high turnover and low morale because teachers who are less career-committed do not teach as well.⁶



Preschool Teacher Salaries Compared to Other Salaries



Source: Salary.com

High turnover also harms educational quality by raising the costs of professional development and staff training and decreasing its benefits to programs and teaching staff.

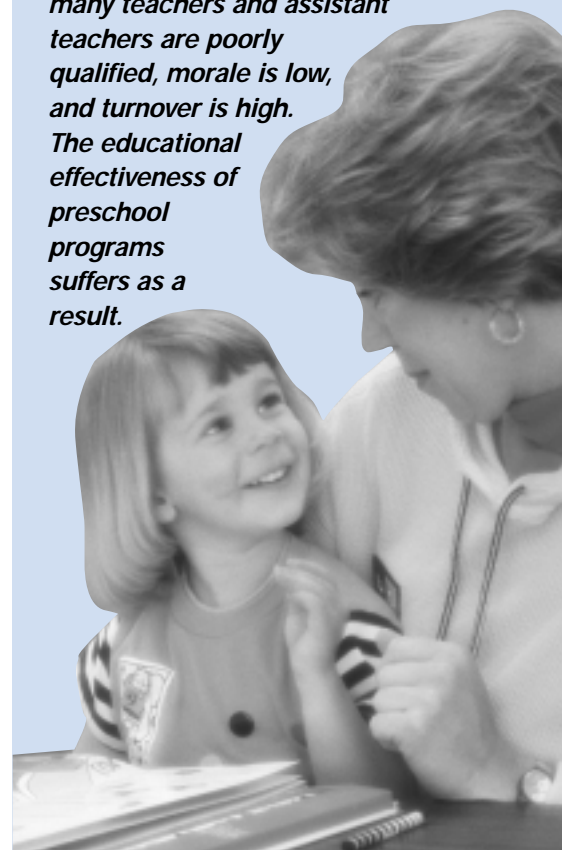
Because turnover is high, basic teacher preparation and professional development, including on-the-job training, must be provided frequently. And the benefits from investing in this training -- to both staff and programs -- are very limited because a substantial percentage of those who quit leave the field altogether.⁷

Teachers who leave tend to be more highly qualified than those who stay. This plausibly explains the finding by

some single point-in-time studies that teacher experience is not significantly related to teaching quality. More capable teachers leave for more financially rewarding jobs in K-12 education and elsewhere.

Retaining good preschool teachers is as important as hiring them in the first place. The retention of well-qualified preschool teachers (those with at least a BA) over time has been found to strongly affect the ability of programs to maintain quality over time.⁸

The consequences of poor pay and benefits are that many teachers and assistant teachers are poorly qualified, morale is low, and turnover is high. The educational effectiveness of preschool programs suffers as a result.



How low are pay and benefits?

Preschool teachers are poorly paid by any standard. Preschool teacher salaries are low compared to salaries in other occupations and industries, and compare even more poorly to the salaries of workers with similar qualifications.⁹ The pay gap widens with similarly qualified workers as the teacher's level of education increases.¹⁰ In September 2002, the median American preschool teacher's salary was \$21,332.¹¹ This was less than the median salary of entry-level secretaries whose jobs required only a high school diploma. The median kindergarten teacher's salary was \$43,152, more than double the preschool teacher's salary.

Preschool staff categorized as teacher assistants and child care workers earn even less than preschool teachers. In 2002, the median salary for teacher assistants, including those in public elementary and secondary schools, was \$16,299. Preschool teacher assistants earn less than this average, making them more poorly paid than parking lot attendants.

Although preschool salaries and benefits are low everywhere, some preschool programs pay much less than others.¹²

- Public schools pay best, though some still pay preschool teachers less than elementary school teachers.
- Head Start paid preschool teachers about the average, \$21,287 in 2001.¹³ Head Start assistant teachers were paid \$14,162 in 2001.
- Private programs pay the least and offer the fewest paid benefits, with full-time child care centers at the bottom. The average teacher in child care was paid only \$12,118 and received minimal benefits in 2000.¹⁴

A 2002 study found that differences in pay between public school and private child care centers can persist even when both are funded by state preschool programs, including universal prekindergarten in Georgia and New York.¹⁵

Increases in public and private spending for preschool programs over the past two decades have not resulted in significantly improved preschool teacher compensation.¹⁶

Apparently, increased public spending has primarily gone to increase the number of children served and the hours of service rather than to improve the quality of early education. With inflation-adjusted preschool teacher pay fairly stagnant over time, the gap between preschool teachers and the rest of the population has actually widened. As a result, preschool teacher quality might well have declined in the last 20 years.

Current public policy strategies

The problems of low-quality, high turnover, and poor compensation can be addressed by initiatives on either the supply side or demand side of the preschool teacher "market."

Supply-side remedies reduce the costs of obtaining better qualifications for new entrants and current teachers. Such initiatives subsidize initial teacher preparation and ongoing professional development.

Demand-side remedies increase the benefits of obtaining better qualifications and staying in the field. These initiatives increase the salaries and benefits of preschool teachers, particularly those with better qualifications. Both types of initiatives can be found in federal and state policies.

On the supply side, the federal government subsidizes education and training for teachers and others in preschool and child care programs.¹⁷ Higher education subsidies include grants, loans, and income tax credits. Most of these subsidies are not specific to teachers or early education.

However, the **Child Care Provider Loan Forgiveness Demonstration Program** targets child care workers in low income communities who obtain AA and BA degrees in early childhood education. The amount forgiven rises with each year of service, up to 100% after 5 years (\$1 million was allocated in FY 2002).

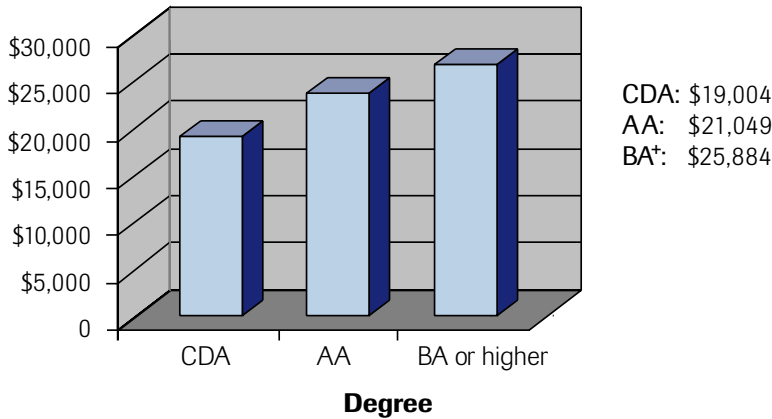
The Early Childhood Educator Professional Development program provides competitive grants to state agencies, higher education, and other organizations to improve the education of teachers of young children in communities with high concentrations of poverty (\$14.85 million in FY 2002).

The **US Department of Labor** funds state child care apprenticeship programs through competitive grants. These apprenticeship programs combine on-the-job training with college coursework and in some cases include bonuses or salary increases. Three rounds of awards have provided 31 states with just over \$10 million for apprenticeship programs since 1999.

The federal government has addressed problems of recruiting and retaining qualified teachers in two of its own programs through demand as well as supply side initiatives.

The **1989 Military Child Care Act (MCCA)** mandated increases in compensation tied to training and education. A 17% increase in real wages between 1989 and 1993 was associated with a 50% decrease in annual turnover.¹⁸

Head Start Teacher Salary by Degree 2002



Source: Head Start Program Information Report for 2001-02.

In 1998 Congress required that 50% of **Head Start** teachers have at least an AA degree by September 30, 2003. Head Start quality improvement funds (\$80 million in FY 2002) can be used to pay for: college courses; transportation, release time, substitutes to support access to college courses; and increased compensation tied to attainment of college degrees.

Head Start was directed to use half of its quality improvement funds primarily to improve teacher salaries and benefits. This \$40 million was less than \$1000 per teacher and less than one percent of Head Start program budgets for FY 2002. Thus, Head Start teacher salaries remain low, and the premium paid for having a four-year college degree leaves them \$17,000 behind kindergarten teachers (see chart above).

Most states have supply side approaches to raise qualifications and lower turnover for teachers in child care programs. A 2002 study by the Urban Institute found that 20 states and the District of Columbia had developed training and mentoring programs designed to recruit and prepare new child care workers.¹⁹ Many of these programs provide stipends to teachers who mentor new staff.

In addition, at least 30 states had developed professional development programs for existing child care workers. These programs provide scholarships, loan forgiveness, and other subsidies to encourage further education, and may require a commitment to remain in the field for a specified period of time. However, these state programs can be quite limited and may reach only a small percentage of the preschool teachers in a state.

On the demand side, at least 14 states have initiatives to improve salaries or benefits for child care workers.²⁰

In most, compensation increases were tied to improvements in teachers' educational qualifications. Compensation increases range from one-time bonuses of a few hundred dollars to wage increases of a several thousand dollars per year.

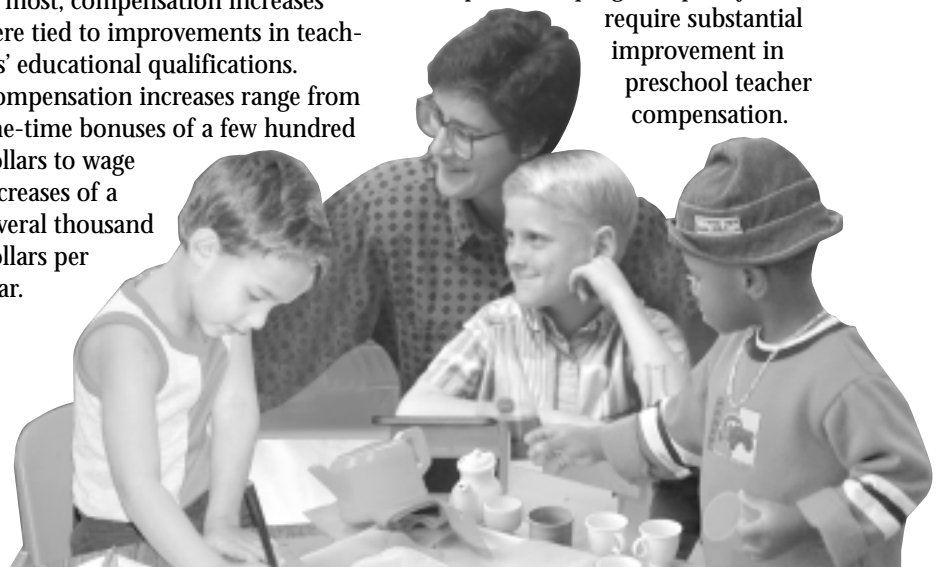
To the extent that funding for these programs is modest -- less than \$100,000 per year to a few million dollars in most states -- the results are likely to be modest, as well.²¹

Clearly, the federal and state governments recognize the problems of low teacher qualifications and high turnover. And it is evident that teacher recruitment and retention respond to increased compensation. However, most of the policies adopted to date can produce only small improvements in teacher qualifications and turnover because they increase compensation by only a small fraction (often just a few percentage points) of the pay and benefits gap.

To the extent that current supply-side initiatives increase the number of preschool teachers who obtain four-year college degrees, they may primarily expand the pipeline of teachers moving on from preschool to K-12 education or other fields.

On the positive side, a recent study of North Carolina's Smart Start program suggests that state policies combining supply and demand initiatives for teacher recruitment and retention can improve program quality and child outcomes.²² Substantial improvements in preschool program quality will

require substantial improvement in preschool teacher compensation.



Policy Recommendations

As inadequate compensation fundamentally causes the recruitment and retention problem, the most effective policies increase preschool teacher salaries and benefits. Preschool teacher salaries must be raised to the level of K-12 teacher salaries if preschools are to have a comparably qualified and stable teaching force. Specific recommendations follow.

Head Start: Head Start quality could be vastly improved by:

- Requiring that every Head Start classroom have a teacher with a BA degree in early childhood education; and
- Increasing teacher pay from \$21,000 to \$43,000 per year.

The cost of this proposal is about \$1.2 billion annually given the current numbers of teachers and children served. This price tag for bringing Head Start into line with preschool programs known to be highly effective is remarkably low. The requirement could be phased in over 6-8 years with annual increases of less than \$200 million.²³

A phase-in would allow time for Head Start to raise the qualifications of many current teachers and to recruit new teachers. Head Start quality funds can be used to fund additional education necessary for current teachers to meet the new qualification. Once teachers are adequately paid, it might be possible to establish a revolving fund for Head Start teacher college loans that is replenished as teachers pay back loans during Head Start service.

State-funded prekindergarten: State prekindergarten programs can ensure that teacher qualifications and compensation are comparable to those of

K-12 teachers by setting appropriate standards and funding levels.

However, where funding levels and standards are too low, there is a great risk that a two-tiered system will evolve with public schools having more highly qualified, more stable, better paid preschool teachers than privately operated preschool programs contracted to provide the services.

Private providers may require careful monitoring to ensure that public preschool funds are indeed used to support quality preschool teachers through comparable compensation.

Child Care: Child care programs in many states and the Department of Defense benefit from current policies that seek to increase access to professional development and increase the financial pay-off to obtaining higher qualifications and remaining in the field. However, their small budgets imply that current initiatives have not yet set a goal of providing three- and-four year-olds in child care with teachers who are comparable to those in K-12 education.

If this goal is set, then demand-side incentives must be substantially increased.

It seems likely that this would require raising the entire salary and benefits schedule (for assistant teachers, teachers, and directors) substantially. Such a policy would be most comparable to the military's strategy for improving child care.

States that do not have such programs now can look to other state supply-side initiatives for programs that could assist them in rapidly increasing the supply of highly qualified teachers needed to meet the large initial demand created by raising standards. Securing access to these programs for current teachers will minimize disruption to the teaching force and ensure that the diversity of the teaching force is not harmed.

As the preschool teaching force stabilizes at new levels of qualifications and compensation, the need for supply-side initiatives will decline though some need will continue to support a career ladder within the early childhood teaching profession. ■



Endnotes

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¹¹ Median national salaries for preschool teachers, kindergarten teachers, and other occupations for 2002 were obtained from Salary.com. The janitor salary reported is the average of salaries "janitor" (\$22,994, requires 2 years or less experience) and "senior janitor" (\$24,368, requires 3-5 years experience). The secretary salary is that of a "secretary II," which requires 2-5 years experience. Comparable, but less current data are available from the US Bureau of Labor Statistics which reports median salaries in 2000 of \$17,810 for preschool teachers and \$37,610 for kindergarten teachers (BLS, Occupational Handbook, 2002-03 Edition, p. 203).

¹² Whitebook et al. (1990).

¹³ Special tabulation provided by the Head Start Bureau from the Program Information Report for 2001.

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- ²¹ Mitchell & NAEYC (2002). New York (\$40 million in FY 2003) and California (\$52 million in FY 2001) account for over 75% of the state funding for compensation initiatives tied to teacher qualifications.
- ²² Bryant, D., Maxwell, K., Taylor, K., Poe, M., Peisner-Feinberg, E., & Bernier, K. (2003). *Smart Start and preschool child care quality in North Carolina: Change over time and relation to children's readiness*. Chapel Hill, NC: FPG Child Development Institute, University of North Carolina.
- ²³ This amount would not include normal inflation-adjustments in the budget necessary to maintain current service levels. Increases of \$50 million, \$100 million, and \$150 million in the first 3 years, followed by increases of \$200 million in each of the next 5 years would achieve the goal in 8 years and allow some room for inflation. Actual cost would be lower to the extent that more qualified and stable teachers required fewer support and administrative staff and reduced recruitment and training costs.

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