Taking Care of Our Caretakers: Elevating the Standard of Living for Child Care Workers
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EXECUTIVE SUMMARY

High quality childcare is a necessity for women in America. Women make up close to half of the labor force in the United States, and most women with children have paying jobs. High quality, affordable child care is key to enabling mothers to participate in the paid work force and to be economically self-sufficient. Although availability and quality of child care has improved over the past few decades, working conditions for those women who care for children have changed little. The job of the child care worker remains low status, with poor wages, few benefits, and high levels of employee turnover, forcing women who are child care workers to work for wages that do not reflect their real contributions to society.

In 2008, there were 28,370 child care workers in Tennessee. The two largest employers of child care workers are (1) private household based care (24.4%) and (2) child day care center services (24.3%). The other half of all child care workers employed in Tennessee are hired by religious organizations, civic organizations, recreational businesses, residential care facilities, and colleges and universities. Wages and salaries are modest at best: an average of $8.80 per hour or $18,265 per year for full-time work across the state. There were 3,050 child care workers in the Memphis MSA in 2012, up from 2,750 in 2010. Wages in Memphis are similar to the overall Tennessee average: a mean of $8.60 per hour in 2012, up from an average of $8.31 in 2010. There is a very small range of salaries for this type of work, with entry level child care workers earning $8.10 per hour, and experienced workers earning $8.85 per hour.

This level of wages would provide a full-time, single individual with a yearly salary of $17,850 in 2012, 160% of the current poverty threshold for an individual. However, it is only 94% of the poverty threshold for a family of three. Importantly, the poverty threshold does not allow an individual or family to lead a life free of public subsidies. To earn a living wage in Memphis (e.g., a salary that would allow a one-adult family of three to be minimally independent of public subsidies) requires an hourly wage of $17.83 per hour or a full time salary of $35,666 per year. If an experienced child care worker, earning $8.85 per hour, wished to support her family at a living wage level, she would have to work close to 77 hours per week, almost twice the normal work week.

The plight of the child care worker is a classic example of domestic work that has been transformed into a market-based business. Though paid, the market shows little value for the child care worker. These (typically) women work in a secondary labor force on the periphery of the economy. Government regulations are non-existent, lax, or easy to avoid. Women who work as child care workers find the labor market crowded with applicants because the rules for entering this occupation are poorly defined. Rules for hiring, retention, and day-to-day activities tend to be vague and changeable. The job does not have specific or enforceable educational certifications. Enhanced educational qualifications often have little or no payoff in terms of wages. These jobs tend to have no career ladders to higher positions based on further education, performance, or seniority.

Recommendations

The following recommendations are made for improving the quality of employment for child care workers:

Credentials of Workers

1. **Require an Associate’s Degree for all child care workers.**
   - Over a period of time all child care workers should be required to have an Associate’s Degree in early childhood education. Current employees should be enrolled in programs. State subsidies for educational enrollment of child care workers should be provided.

2. **Require that all child care workers have the Child Development Associate (CDA) credential or its equivalent regardless of the type of child care center that a person works in.**
   - Like the recommendation above, subsidies and support should be provided to current employees seeking this credential.

3. **Require that all child care facilities maintain website-based credentials.**
   - All child care facilities should maintain a current web site with a list of accreditations as well as a list of certifications and educational backgrounds of the owners, managers, and employees.
Mandatory Employment Standards:

1. **Regulate child care worker facilities.**
   Both home/family and center-based child care businesses must provide separate break, restroom and changing facilities for all workers. Facilities should be annually inspected by state licensing personnel.

2. **Require providers to maintain standard personnel records.**
   All child care facilities should keep regular records of hours and wages. Annual evaluations of each child care worker must be maintained in the records.

3. **Expand OSHA and TOSHA to include policies specific to child care facilities.**
   OSHA standards for child care need to be expanded beyond current health requirements to include safety and health standards that more closely affect child care workers. These standards should apply to any facility that provides child care.

4. **Promote professional associations and unionization.**
   A 2012 study by Rutgers’ Center for Women and Work found that unionization of child care workers in New Jersey improved working conditions, wages, and benefits. TANF (Families First) funds provided by state government can be the source encouragement of development of unionization, or the development of professional associations of child care workers.

Consolidation of the Business Structure:

1. **Transform home-based child care into an operating business.**
   The family home-based facility needs to be transformed from informal child care to an operating business over time. All operating and employment standards applied to large day care centers need to be slowly enforced for home-based care also.

2. **Restrict the use of public child care funds to licensed centers.**
   Public funds, subsidies, and TANF monies should be restricted to the larger, licensed day care centers.

3. **Consolidate providers into not-for-profit centers.**
   The industry should be encouraged, through its public subsidies, to consolidate into not-for-profit day care centers sponsored by educational institutions, religious organizations, and businesses.
Taking Care of Our Caretakers: Elevating the Standard of Living for Child Care Workers

High quality childcare is a necessity for women in America. Women make up close to half of the labor force in the United States, and most women with children have paying jobs. High quality, affordable child care is key to enabling mothers to participate in the paid work force and to be economically self-sufficient. Over the past 50 years, as women’s participation in the labor force has increased and women have subsequently advanced their careers, the rise of a large child care ‘industry’ has improved the economic viability of families with young children. However, although the availability and quality of child care has improved, working conditions for child care workers have hardly changed at all. The job of the child care worker remains low status, with poor wages, few benefits, and high levels of employee turnover, forcing women who are child care workers to work for wages that do not reflect their real contributions to society. This report examines the reasons for the plight of child care workers and offers suggestions for improvement.

National Trends in Child Care

The child care industry has grown rapidly over the last 3 decades. Yet despite increases in the amount of government money for child care, improvements in the working conditions of child care workers have not followed. Many of the data findings of the 1970’s and 1980’s are still relevant today:1

- Wages at each skill level in a child care facility were lower than wages for women in comparable occupations elsewhere.
- Wages of child care workers were unaffected by government subsidies to parents and providers.2
- Child care workers were more likely to have changed jobs in any one year than other workers.
- Child care workers often dropped out of the labor force altogether when they left child care jobs.
- Child care workers tended to work in a relatively low-quality labor market.3 Low wages (often just the minimum wage), high turnover, and no benefits beyond those legally required were all common to child care occupations.

Child care workers in a home-based care environment – a child care facility in a home that is often unlicensed – often worked for wages that would provide only 50% of the poverty threshold ($19,530 in 2013) for a family of three. During the 1980s and 1990s, real wages, adjusted for inflation, barely changed at all. The child care system is characterized by high consumer costs combined with poverty-level earnings, with labor provided by a workforce that is 98% female and one-third women of color. The result is an “unacknowledged subsidy” - the contribution that child care workers make by being paid much less than the value of their skilled and vital work.4

The existence of thousands of small child care businesses contributes to the low wages of childcare workers, and the educational attainment of child care workers is often low as well.5 Wages have remained flat over time, in part because child care workers participate in a secondary labor market where crowding is typical, labor protections are minimal, and career ladders to better jobs do not exist.6 Although unionization might reduce labor turnover in the child care environment, unionization is very unusual in this industry.7

The quality of working conditions for child care workers can impact the quality of care children receive, and improving quality of care happens in tandem with improving the quality of life for workers.8 Greater experience and higher qualifications of caregivers can reduce staff turnover and increase the quality of care received by children.9 For example, well-paid and trained teachers tend to maintain more nurturing and consistent relationships with children in the classrooms and guide them through successful transitions to elementary school.10

Yet, although there is a direct relationship between the training of child care workers and quality of child care services offered, this does not lead to consistently better outcomes for children. Outcomes for infants and toddlers seem unaffected by the training and education of their caregivers, whereas training and education do lead to better outcomes for older pre-school children. Thus, for many child care workers, better working conditions, higher wages, and benefits packages are justified based on the workers’ rights, not on children’s educational outcomes.11
Unfortunately, market pressures, such as supply and demand for child care, push down wages for child care workers. The greatest costs of running a child care business are the facility and the labor costs. And though there are large amounts of public money available to subsidize costs, parents tend to look for less expensive facilities when choosing child care services. Thus, the demand for child care workers tends to be particularly sensitive to wage and benefit levels; any rise in wages tends to lead to a fall in worker demand, because parents shift to cheaper child care facilities.

On the labor supply side, the lack of universal certifications for child care workers, the high turnover of child care workers, the ease of entry into the occupation, and the dominance of the family or home-based child care establishments means that there is a natural downward push on wage and benefit levels.

Child care services are not organized like most other social service businesses in the United States. The industry is fragmented, offering child care services through a multitude of very small enterprises. In the U.S., 80% of child care service revenues come to single establishment (one location) businesses, 90% of all child care establishments operate as single unit facilities, and 16% operate for less than a year, indicating a fairly high business turnover rate.

National Child Care Industry

Parents paid $12 billion for child care services in 2002, and that figure grows each year. Approximately 72.3% of revenues come from parent fees, and 22% are public funds. Interestingly, nonprofit child care centers receive a much larger public subsidy: 34.1%.

Work Environment

There were close to 1.3 million child care workers in the United States in 2010, employed through a variety of informal and casual labor business organizations. For many child care workers, there is no human resources office that oversees employment conditions, no formal benefit package, and no formal records kept of time and hours.

- 30% are self-employed, often providing child care in a family environment that may be unlicensed by state child care agencies.
- 15% work in private households where there are few employees, and where regulations and terms of employment tend to be loose and informal.
- 22% work in child day care centers.
- 8% work in religious organizations and nonprofit centers.
- 12% work in educational facilities.

Many organizations that employ child care workers that also employ significant numbers of other kinds of employees. Approximately 38% of child care workers work in establishments under standard employment conditions, and these establishments could set industry standards that would raise quality of working conditions for child care workers.
CASE STUDY: MATTIE

Mattie, a child care professional living in Memphis, TN, has worked in the child care industry for almost 17 years. She began her journey as a childcare worker after relocating from Chicago, IL. As she puts it, “I was kind of pushed into it. At the time, my kids were coming to the center and the director needed an assistant and I told her that I that I didn’t know anything about child care and she told me that I did because I had two children.” Mattie initially worked at the center as a part time secretary and then moved up to a full time position as a teacher in the infant room, which has a ratio of 4 students per teacher.

When recounting the experiences that best prepared her for working with children, she gives much credit to being a mother and having firsthand experience with children. She participated in an orientation prior to starting at the childcare center, as well as a required 20 hours of training each year. This includes various seminars and visiting childcare resource centers. In addition, she took classes at a local community college to obtain Child Development Associate (CDA) credentials, and is certified in Cardiopulmonary resuscitation (CPR) and first aid, which she renews every 3 years. Although she started working towards an Associate’s degree, medical reasons forced her to temporarily put those plans on hold, but she points out, “I will go back….hopefully in the Spring.” Prior to her career as a child care professional, Mattie received an Associate’s Degree in business administration, but after working with children for so long, she can’t imagine doing anything else.

Mattie’s current child care center earned National Association for the Education of Young Children (NAEYC) accreditation earlier this year. Now that she works for an accredited center, she notes, “It feels good. It makes you feel more confident about yourself and knowing that you are here as a professional to help the children.” After her child care center received accreditation, she noticed some positive changes. She explains, “It is more teaching now instead of just hands-on babysitting. When we first started out, we were just babysitting children. Now, we are actually teaching children to learn…that’s the biggest difference… even with the infants.” Additional changes include more teaching opportunities and resources for the providers while teaching children. For example, the teachers are able to create curriculums for the children in their classroom.

Although Mattie does not currently have children who need childcare, her center does offer a small discount for employees who have children who attend the center. According to her, “The center will put you on a payment plan if you want your children to come here.”

Working as a childcare professional has some very positive aspects. Mattie notes, “What keeps me motivated is knowing that you can make a difference in a child’s everyday living and learning environment… just coming to work and knowing what you know as a provider and teacher and knowing that you can help a family even if that child is a special needs child… We have the resources and can refer parents if their child needs help.”

Child care workers are also faced with challenges. Mattie jokingly says, “There is never a successful day. A successful day is when everything flows well and you are on schedule…there is not biting, cuts or scrapes, and there are no displeased parents.” Additional challenges include the behavior of children and helping new enrollees adjust to being in a new child care facility. Whenever faced with challenges, Mattie points out that it is important to talk things through. If there is an issue with a parent, she recommends that the teacher or director remain professional. In the case of handling challenges with children, conferences with the teacher, parent, and center director usually resolve the issues. Mattie also identifies opportunities for growth. Many of the seminars and trainings that Mattie attends do not include specific training for handling the children in the after school and summer camp programs. She says, “I know that those children are only here for a little while, but I wish some of the trainings were geared towards them.” When describing the benefits and salaries of child care providers, she explains that, “Well, I would change the income of child care providers….now you have to have a CDA. With a CDA, if you go to Head Start you can make $14-$15 compared to just $7.25 an hour for new employees.”

Even with the challenges associated with being a child care provider, Mattie knows that she is making a difference in the lives of children. She has been at her current child care center for the full duration of her career as a child care professional. At this point in her life, she plans to stay in the child care profession.
Child Care Duties

The duties of a child care worker typically include:

- Supervise and monitor the safety of the children in their care;
- Prepare meals and organize mealtimes and snacks for children;
- Help children keep good hygiene;
- Change diapers of infants and toddlers;
- Organize activities so that children can learn about the world and explore their interests;
- Develop schedules and routines for physical activities, rest, and playtimes;
- Watch for signs of emotional or developmental problems; and
- Keep records of children’s progress, routines, and interests.17

Wages, Salaries, and Benefits

- The median pay for the child care worker in 2010 in the United States was $19,300 per year ($9.28 per hour). In contrast, the median pay of the U.S worker in 2010 was $16.27 per hour – child care workers earned 57% of that level.
- Many child care workers work full-time, but part-time work (39% of workers) and irregular hours are common.
- The highest education level attained by child care workers is typically a high school diploma.18
- The range of pay of child care workers is compressed. The lowest 10% earn less than $7.65 per hour, whereas the highest 10% earn more than $14.08 per hour.
- Workers in almost all similar occupations are paid considerably more than child care workers:
  - Kindergarten teachers (requiring a Bachelor’s degree) earned a median salary in 2010 of $51,380;
  - Preschool and Child Care Center Directors (requiring a Bachelor’s degree) earned $42,960;
  - Preschool teachers (requiring an Associate’s degree) earned $25,700; and
  - Teacher Assistants (requiring a high school diploma) earned $23,220.19

In most places of employment, child care workers have no defined on-the-job career ladder that would allow them, over time, to move from a lower paying position to a higher paying position.

Benefits are almost non-existent in the child care industry.

- In 2010, only 31% of child care workers had access to health insurance, and of those only 12% participated in an available health insurance program.
- 18% of child care workers were offered retirement programs, and 9% participated.
- Lack of participation in health and retirement benefits can probably be traced to workers’ low wages, required co-pays, and the need for income.
- Turnover is high in the childcare industry, with over one-third of the workforce turning over every year. 20

“Many of the teachers did not want to do anything extra because they did not get paid much…pay has a lot to do with the mentality of the childcare worker. They should get paid more.”

--Former Child Care Center Director
The Child Care Industry in Tennessee and Memphis/Shelby County

In 2008, there were 28,370 child care workers in Tennessee. This is expected to grow to 29,400 by 2018 – a modest 0.4% growth per year. However, there will be around new 935 job openings in Tennessee each year over this time period. The Tennessee Occupational Employment Survey indicates that there were an estimated 3,050 child care workers in the Memphis Metropolitan Statistical Area (MSA) in 2012, up from 2,750 in 2010. The two largest employers of child care workers are (1) private home-based care (24.4%) and (2) child day care services (24.3%). The other half of all child care workers employed in Tennessee are hired by religious organizations, civic organizations, recreational businesses, residential care facilities, and colleges and universities.

Shelby County Child Care Facilities

Shelby County data confirm the fragmented structure of the child care industry seen nationally.

- There were 318 child care centers in Shelby County in 2010, up 16.4% from 2000.
- The number of paid employees remained fairly static over that decade.
- Wages per employee rose from $11,729 in 2000 to $16,038 in 2010. However, this increase is only slightly larger than cost of living changes during the decade. That is, real income for Shelby County child care workers rose by 7.4% from 2000 to 2010.
- The typical child care establishment is small – having only one to four paid employees, including the director/owner. The majority (72.9% in 2000; 80.5% in 2010) have less than 20 employees.
- Most establishments are single location, family/home-based day care centers, and fewer than ten have more than one location.

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<tr>
<th>CHILD CARE CENTERS IN SHELBY COUNTY, TN 2000 AND 2010</th>
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<tr>
<td><strong>Year</strong></td>
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<td>2000</td>
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<td>2010</td>
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* in millions of nominal dollars


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Child care tends to be a ‘business’ dominated by very small enterprises—usually a woman running a child care business out of her home. Small businesses tend to be informally run, with inconsistent record keeping and human resource policies. As a result, employment practices vary from one employee to another; working conditions are nonstandard both within and between establishments; and compensation/benefit packages are based, not on industry standards, but on the owner’s personal preference. The structural conditions created by such business organization in the child care sector have significant negative implications for the employment conditions of child care workers.

**Quality of Care**

The quality of child care services in the Memphis region is difficult to judge. Tennessee government uses two systems to evaluate the quality of child care services:

1. **Child Care Report Card**

   The Child Care Report Card is mandatory for every licensed child care facility, but the standards differ for Centers vs. Family or Group Homes. The evaluations for Centers emphasize the qualifications for the director and professional development opportunities, but overall the evaluations emphasize the quality of care provided for children, not working conditions for staff.

2. **Star-Quality Child Care Program**

   The Star-Quality program awards licensed child care providers one, two, or three stars for meeting higher standards than are necessary for standard state licensing requirements. Though the program is voluntary, child care centers are encouraged to participate.

These state level evaluations are not easily accessible on the internet, and there is little indication that either set of standards is intended to, or has impacted, wages or benefits for employees. In addition to state level systems, the National Association of Young Children (NAEYC) has an accreditation system that emphasizes higher standards of education for directors and staff in child care centers. Only about 10% of child care centers in Memphis are accredited by NAEYC.
**Wages and Salaries**

Wages and salaries are modest at best.

- Tennessee average: $8.80 per hour or $18,265 per year for full-time workers
- Memphis/Shelby County average: $8.60 per hour or $17,850 per year
  - 205% of the 2013 poverty threshold for an individual
  - 91% of the 2013 poverty threshold for a family of three
- Importantly, the poverty threshold does not allow an individual or family to lead a life free of public subsidies. To earn a living wage in Memphis, (i.e., a salary that would allow a one-adult family of three to be minimally independent of public subsidies) requires a 2010 hourly wage of $17.83 per hour, or a full time salary of $35,666 per year.²⁶
- Current average wages for child care workers in Memphis are only half of a living wage. For an experienced child care worker earning $8.85 per hour, she would have to work close to 77 hours per week, almost twice the normal work week, to support her family at a living wage level.

<table>
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<th>2012 CHILD CARE WORKER WAGES</th>
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<td><strong>Tennessee</strong></td>
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<td>Entry Level</td>
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<td>Annual Salary*</td>
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<td><strong>Mean</strong></td>
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<td>Annual Salary*</td>
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<td>Hourly Wages</td>
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<td><strong>Experienced Workers</strong></td>
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*based on full-time employment


**Education and Training**

Although most child care workers enter the workforce with a high school diploma, education and professional development have been a significant priority since the 1970s. During the 1980s, the NAEYC helped create the Council for Professional Recognition. The council created and administers the Child Development Associate (CDA) credential. The CDA is based on six competency standards that emphasize the quality of service given to families of children in child care centers, not the educational or professional standards of the worker herself.²⁷ No numbers are available for the number of CDAs in the Memphis child care market.

Like the standards for child care centers themselves, the CDA emphasizes professionalism and quality of child care, not working conditions, pay, and benefits. Regulations do not require child care facilities to post CDA certifications or other educational qualifications of employees, nor are they available on the web. The CDA credential and university based educational credentials (e.g., Associate’s or Bachelor’s degrees) are not typically considered in hiring decisions by managers in child care facilities, nor are they of interest to most parents who send their children to these facilities.
Why Labor Market Problems Exist and Persist

The plight of the child care worker is a classic example of domestic work that has been transformed into a market-based business. Though paid, the market shows little value for the child care worker. These (typically) women work in a secondary labor force on the periphery of the economy. Characteristics of peripheral businesses such as childcare include:

- Industries where funding required to open an establishment is very small.
- Businesses tend to be poorly funded for day-to-day operation.
- Government regulations are non-existent, lax, or easy to avoid.
- Businesses have informal operating procedures – often using simple bookkeeping to keep track of revenues or the costs of labor and supplies.
- Businesses tend to be proprietorships, owned directly by the director or manager, though a formal ownership structure may not even exist.
- One business may be quite different from another in the way it operates, even though to the consumer each business is almost indistinguishable from another.
- Labor practices tend to be very informal, with no formal human resources policies.
- Management of work is casual, often changing day-to-day depending on the circumstances.

Women who work as child care workers find the labor market crowded with applicants because the rules for entering an occupation are poorly defined:

- rules for hiring, for retention, and for day-to-day activities tend to be vague and changeable;
- almost anyone is qualified to work as a child care worker because everyone can meet the rules for being hired;
- these jobs do not have specific or enforceable educational certifications;
- enhanced educational qualifications often have little or no payoff in terms of wages;
- these jobs tend to have no career ladders to higher positions based on further education, performance, or seniority;
- they tend to have no fixed hours or days of employment; and
- they are just one step away from the casual labor of unpaid women in the household who care for children but find it unvalued by society.

The child care industry, because it is structured as a collection of peripheral businesses within a secondary labor market, suffers from problems of instability and longevity on the business side, and low wages, poor benefits, and career stagnation on the employment side. Minor reforms such as increased government subsidies for child care, or enhancing worker certification for employment, do not solve the larger structural problems.
CASE STUDY: NATALIE

Natalie, a former child care center director, has a true passion for working with children. She earned her Bachelor’s and Master’s degrees in business administration, and began her career as a childcare provider after getting experience as a substitute teacher. As she puts it, “it merged my degree in business administration with my love for children, so I have a business background, but I love to teach. When I saw the opportunity to merge the education worlds with my business degree all together, then I sought out the center director position.”

As she looks back on experiences that gave her the best training for working with children, she says that experience in the classroom as a substitute teacher, babysitting, and working in the children’s ministry at her church were some of the most beneficial experiences. She did not participate in an orientation prior to starting at the childcare center. As Natalie points out, “It was so bizarre. It was one of the reasons that I left. It was like the upper management wanted you to fail. Training only came up during evaluations. I was there for a year and a half without any training.” She also did not receive certification in Cardiopulmonary resuscitation (CPR) or first aid, while other employees participated in a 2 day orientation prior to working at the child care center.

Natalie’s child care center earned National Association for the Education of Young Children (NAEYC) accreditation prior to her working there and it is a three star center. She says that it was a high quality center, but she admits that she had an issue with the quality of the workers hired. More specifically, she points out, “I had a problem with the mentality of many of the people hired. Many of them were only there to work their eight hours and earn a paycheck. There was a very poor work ethic there… the workers would call in to work for just about anything. That created other problems, because when the workers would not come in, then the other teachers could not get relieved on time.”

Natalie did not have children who needed childcare during the time that she was a center director, but her center does offer assistance for employees who have children who attend the center. According to her, “The discount was not significant and at the time that I was there, only one of the employees had children who attended the childcare center. The child care fees were automatically deducted out of the employee’s paycheck.”

Natalie admits that working as a childcare professional has both strengths and challenges. She notes, “The strengths include a work environment that is more relaxed than working in a school.” Other positive aspects of working as a childcare provider includes the camaraderie of the employees and being able to utilize the passion she has for teaching children. In her opinion, a successful day is a day when all parents pay their child’s tuition, no child gets hurt, and all of the employees come to work.

Nonetheless, she knows that child care workers are faced with challenges. As a center director, Natalie often found that she had to cover classrooms whenever teachers were unable to come to work. Natalie was responsible for making sure that all parents were current on their tuition payments. She recalls, “Sometimes when parents would not pay, management would get on to me and I always had to try to come up with ways to ensure that parents paid on time.” In order to address the issue with parents, Natalie often set up parent meetings. One major area that presented challenges centered on the salaries of teachers. As she recalls, “Many of the teachers did not want to do anything extra because they did not get paid much… pay has a lot to do with the mentality of the childcare worker. They should get paid more.” The starting salary at her center was $7.25, but there were opportunities for raises. As she points out, “Raises are based on teacher evaluations, certification, and teacher anniversaries.” Even though there were chances to receive raises, the process was very slow. “When it comes to raises, I would fill out the necessary paper work for employees to receive their raise, but then I would not hear back from management for awhile.” Although, Natalie was able to meet her financial demands with her salary, she admits, “Well at the time, I was living at home with my parents and I did not really have any bills, other than my car insurance… if I made that salary now, then I probably would not be able to pay for all of my bills.” Natalie often heard employees at her center complain about their salaries. According to Natalie, “There was a lady who had been there for about 10 years; she made 12.50/hour…I’m not sure about the positions above me.” Natalie adds, “If I could change anything about the childcare profession, I would definitely change the salary.”

Although challenges exist in the child care industry, Natalie is confident that this is the right career for her. She adds, “it is all about the kids. As a child care worker, I have the chance to watch them grow.”
Policy Implications

Child care facilities currently operate in a global context that undervalues the work typically performed by women, including child care. Changing the structure of this industry would bring changes in the economic and social position of large numbers of women who work in the child care industry.

A significant portion of the funds received by child care services are public. Consequently, there is a practical public interest in the operation and outcomes of the child care services sector of the economy. This public interest is usually expressed in terms of the care, safety, and education of the children in child care services, but could also extend to child care workers. Bringing child care workers up from a life of working for poverty wages to the status of a child care professional should become one of the goals of our child care system both nationally and in the Memphis region.

Credentials of Workers

Increasing the educational levels of child care workers will clearly increase the quality of care and preschool education received by children in child care centers. Initial enforcement of credentialing through on-the-job credentials like the Child Development Associate (CDA) is important, but over the long run, licensing of child care services should require increased educational achievement for all child care workers, including the CDA. Attainment of an Associate’s or Bachelor’s degree by child care workers in early childhood education would shift the perception of child care services from custodial care of children to education of children. Subsidies by child care service establishments for further education are critical to the success of upgrading the qualifications of child care workers. Though teachers in kindergarten and the early grades are regarded as educational professionals, research indicates that parents do not view child care workers as professionals. However, it is important to note that the current emphasis on improved credentials tends to focus on quality of the child care provided, not on the quality of life of the child care worker. Higher educational standards, implemented over time to allow current workers to adjust, will increase the negotiating power of child care workers, slowly leading to better wages and benefits.

Mandatory Employment Standards

One of the largest missing elements in the child care industry is the enforcement, either privately or publically, of employment standards. The health and well being of child care workers is generally ignored, that is, businesses are not required to provide health insurance for their employees. There are no minimum pay or benefit standards promoted by accreditation agencies or public funders of child care services. Issues like employee restrooms and changing facilities are not addressed in Tennessee. Standardized breaks, separate luncheon facilities, and regular hours are privileges that most workers take for granted, but are clearly not ‘regular’ in child care services. These issues need to be addressed to elevate conditions for child care workers to the modern world of work.

“It is more teaching now instead of just hands-on babysitting. When we first started out, we were just babysitting children. Now, we are actually teaching children to learn...that’s the biggest difference...even with the infants.”

--Child Care Worker
Employment standards need to be clearly defined in the industry through public/private groups of stakeholders. In many industries, these issues were addressed decades ago by trade unions. In other employment areas, professional associations of employees have pushed for standardized working conditions for every worker in an occupation/profession. These changes have not happened for child care workers. Additionally, career ladders based on education, performance, and seniority needs to be clearly defined across child care services. Issues of pay differences based on job titles, overtime pay for long or non-standard hours, and minimum benefits need to be defined across the many child care establishments.

**Consolidation of the Business Structure:**

The business establishments in child care services need to be consolidated into more rational business organizations, regardless of whether they are for-profit or not-for-profit entities. Establishments with 20 or fewer employees are too small to effectively provide services to their employees. There are economies of scale in child care provision. Larger organizations and more complex businesses can afford specialized management systems where the business functions of human resources and accounting can be separated from the care of children for effectiveness and efficiency. From the current structure of approximately 300 business establishments in Shelby County, the child care services industry should ideally be consolidated into a few dozen companies/entities. Instead Tennessee government currently encourages small child care operations through its very lax licensing procedures. Consolidation of the industry into a few companies would provide the financial stability needed to accommodate a better working environment for child care workers. This change alone will bring better working conditions for women who work as child care workers. But without this change in business organization, the plight of the child care worker will probably not change because the resources to implement changes in educational credentials or working conditions will not be available.
RECOMMENDATIONS

The following recommendations are made for improving the quality of employment for child care workers:

Credentials of Workers

1. **Require an Associate’s Degree for all child care workers.**
   Over a period of time all child care workers should be required to have an Associate’s Degree in early childhood education. Current employees should be enrolled in programs. State subsidies for educational enrolment of child care workers should be provided.

2. **Require that all child care workers have the Child Development Associate (CDA) credential or its equivalent regardless of the type of child care center that a person works in.**
   Like the recommendation above, subsidies and support should be offered to current employees seeking this credential.

3. **Require that all child care facilities maintain website-based credentials.**
   All child care facilities should maintain a current web site with a list of accreditations as well as a list of certifications and educational backgrounds of the owners, managers, and employees.

Mandatory Employment Standards:

1. **Regulate child care worker facilities.**
   Both home/family and center-based child care businesses must provide separate break, restroom and changing facilities for all workers. Facilities should be annually inspected by state licensing personnel.

2. **Require providers to maintain standard personnel records.**
   All child care facilities should keep regular records of hours and wages. Annual evaluations of each child care worker must be maintained in the records.

3. **Expand OSHA and TOSHA to include policies specific to child care facilities.**
   OSHA standards for child care need to be expanded beyond current health requirements to include safety and health standards that more closely affect child care workers. These standards should apply to any facility that provides child care.

4. **Promote professional associations and unionization.**
   A 2012 study by Rutgers’ Center for Women and Work found that unionization of child care workers in New Jersey improved working conditions, wages, and benefits. TANF (Families First) funds provided by state government can be the source encouragement of development of unionization, or the development of professional associations of child care workers.
Consolidation of the Business Structure:

1. **Transform home-based child care into an operating business.**
   The family home-based facility needs to be transformed from informal child care to an operating business over time. All operating and employment standards applied to large day care centers need to be slowly enforced for home-based care also.

2. **Restrict the use of public child care funds to licensed centers.**
   Public funds, subsidies, and TANF monies should be restricted to the larger, licensed day care centers.

3. **Consolidate providers into not-for-profit centers.**
   The industry should be encouraged, through its public subsidies, to consolidate into not-for-profit day care centers sponsored by educational institutions, religious organizations, and businesses.
REFERENCES


4 Whitebrook, 1999, pg. 159.


10 IWPR Publication G175, pg 1.


12 The estimates indicate that labor costs represent 70.3 percent of a child care center’s cost (78.9 percent of nonprofit child care centers). Occupancy costs represent only 13.8 percent of the cost structure. These estimates represent child care centers only and are for 1995. See Helburn, Suzanne W., and Carollee Howes, “Child Care Cost and Quality,” The Future of Children: Financing Child Care, 6,2 (Summer/Fall 1996), pgs. 62-81.

13 IOM & NRC, The Early Childhood and Education Workforce, See Chapters 3 & 4.


18 There is a lot of variation in required skills. Nationally, workers in Head Start programs must be enrolled in, at least, a community college Associate’s degree program beginning in 2013. Different states encourage different levels of training for workers and different levels of compliance/accreditation for their child care centers. Some states encourage or require the Child Development Associate (CDA) designation while others require the Child Care Professional (CCP) designation. Both are offered by certification organizations. See the Council for Professional Recognition http://www.cdacouncil.org/about-thecouncil Finally, most states require licenses, even private homes, to operate a child care center. Licenses have varying health, background and activity requirements attached to them. See U.S Bureau of Labor Statistics, Department of Labor, Occupational Outlook Handbook 2012-2013 Edition, Childcare Workers. http://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm, visited 6/29/2012


20 IOM & NRC, The Early Childhood Care and Education Workforce, pgs. 134-139.

21 This number is dramatically smaller than the numbers produced for County Business patterns in 2010 and 2000. In addition the Memphis MSA is considerably larger in geographic area (8 counties) and population (about 300,000 people larger) than the core county of Shelby. See http://www.tn.goc/labor-wfd/ for details on the Tennessee Occupational Outlook Survey. The likely difference is that the TN OES undercounts individual and family childcare provision.
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27 Council for Professional Recognition, http://www.cdacouncil.org/ The six CDA Associate Competency Standards are broken down into 13 functional areas. Interestingly, the standards reflect the attitudes, behaviors, and demeanor of the childcare worker towards their work. There is basically nothing in the standards that protect or enhance the childcare worker’s status except a vague Standard VI “a commitment to professionalism.”
30 IOM and NRC, The Early Childhood Care and Education Workforce, pgs. 79-80.
31 An example of rising standards in the Memphis area is the Ready Set, Grow! Program sponsored by the Plough Foundation and the University of Memphis. It emphasizes implementing the accreditation standards of NAEYC and additional professional education for center employees. Sagrestano, Lynda, et al. Childcare as an Investment for the Future: The Case of Memphis and The University of Memphis, Department of Instruction and Curriculum Leadership, http://www.memphis.edu/icl/rsg
33 “OSHA Certification Requirements for Child Daycare Workers,” http://www.eHow.com/list_6943994_osha-requirements-child-daycare-workers.html
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