

Executive Summary

Of the

Early Care & Education Providers Compensation Summary Report

September 2002



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Executive Summary

Background

The mission of the Calaveras Child Care Council (CCCC) is to *support the success of all children, their families and the economy of our communities through the development of affordable, accessible, quality child care*. In order to carry out its mission, the Council regularly gathers and analyzes data about children using and/or in need of child care and child care providers. In January 2002, the CCCC contracted with Social Entrepreneurs, Inc. to conduct a countywide compensation study of early care and education providers. The data was analyzed and a final report of findings was published in May 2002. It is expected that the findings from the report will be used as baseline data for tracking and reporting on trends and changes in compensation, and ultimately for developing strategies that result in increased compensation and reduced turnover within the early care and education profession.

The scope of the research included direct contact with selected employers in Calaveras County who would be likely to hire individuals currently employed in the early care and education profession. The research specifically identified entry level jobs or positions that required little training or experience, as they were considered competition for the pool of existing or potential early care and education employees. These Calaveras companies and organizations were asked to answer a series of fourteen questions related to 1) wages and qualifications, 2) benefits, and 3) turnover rate.

In addition to contacting local employers directly, a review of six industries profiled in the *Occupational Outlook and Training Directory-Mother Lode Consortium 1999-2001 (OTOD)* was performed. Information from the March 2002 report from the Center for Child Care Workforce was reviewed to identify any other trends relevant to Calaveras County. Data from the Calaveras Child Care Council's 2002 Providers' Survey related to provider compensation was also used to develop the report.

This executive summary follows the structure of the Early Care and Education Providers Compensation Summary Report.

Wages and Compensation

The starting wage for an entry-level employee entering the job with little or no formal training or experience was \$7.87 per hour in the companies surveyed. The range of pay varied from a low of \$6.75 to \$7.00 per hour paid by fast food/restaurants and hotel/motel to a high of \$8.85 per hour for entry level workers at United Parcel Service (UPS). The median entry level wages shown for the six industries reviewed in the OTOD ranged from a low of \$6.50 an hour for child care workers and retail sales, to a high of \$16.35 per hour for Special Education Teachers.

The Center for the Child Care Workforce (CCW) notes in its March 2002 Report that out of 700 occupations surveyed by the Occupational Employment Statistics (OES) program of the Bureau of Labor Statistics, only 18 occupations had lower mean wages than child care workers. The 2000 wage data showed that the *median* wage for child care workers nationally was \$7.43 per hour, and the *median* wage for a preschool teacher was \$9.66 per hour.

Respondents to the 2002 Calaveras Child Care Council Provider Survey reported a median hourly wage, excluding benefits, of \$9.30 per hour, with an average hourly wage of \$9.43. Family Child Care and/or Center Providers who responded indicated a median hourly wage of \$9.69. Of that group, 30% earned between \$7.00 and \$7.99 per hour, and 30% earned between \$10.00 and \$10.99 per hour.

Employers were asked about the process for wage increases; most frequently these were tied to performance, and were given on a yearly basis. One employer determined the level of increases by conducting a periodic industry salary survey to set appropriate wages for the job function, and one employer based increases on the terms of the employee contract.

Benefits

Ninety-three percent (13) of the employers interviewed offered benefits to full-time employees. Two of the respondents indicated employees must be working at the management level to qualify for benefits. Of the employers offering benefits to full time staff, 38% indicated offering casualty level benefits (high deductibles, emergency/catastrophic coverage); 38% offered comprehensive coverage (24% of employers did not provide the specific level of coverage offered). Only two employers paid all costs related to employee benefits. The employee contribution varied from a low of 30% to a high of 55%.

Most employers for the industries reviewed in the OOTD did not pay full costs for the benefits offered to full time employees. It is interesting to note that the only industry where an employer paid full costs for any one benefit offered was in early care and education, where the benefit paid for by the employer *was child care*. The benefit costs most frequently covered by employers are sick leave and vacation.

The array of benefits offered to part time employees was significantly less than those offered to full time employees. Only one employer surveyed offered the same range of benefits to both full and part time employees; and only one of the employers indicated that the level of coverage offered to part time employees (casualty) was the same level offered to full time employees.

Very few employers for the industries reviewed in the OOTD covered the full costs for the employee benefits offered to part time employees. As with full time employees, the benefit costs most frequently covered by employers were sick leave and vacation.

The 2002 Provider Survey collected information about the number of full-time and part-time early care and education providers who receive benefits in Calaveras County, and what kind of benefits they receive. Forty-six percent of full-time providers responding to the Calaveras Child Care Council's 2002 Providers Survey indicated receiving some level of benefits, and 50% of part-time providers stated they received some type of benefits.

The CCW 2002 Report provides information on benefits for select counties in California; most of these are urban or significantly different from Calaveras County. However, El Dorado County, another county in the Sierra Foothills was represented. Thirty-eight percent of centers offered employer-paid health insurance for teachers, and 17% percent of centers paid for health insurance for assistants.

Turnover Rate

The questions asked related to employee turnover sought to identify specific rates and causes for turnover. For the nine employers providing information, turnover rates ranged from low (one or two teachers per year) to very high (94% of employees at non-management level). Low pay for the industry was noted as a cause by 55% of respondents. In addition, employers gave reasons for termination, which included: employees not being a "good fit" with the program or terminated due to unsatisfactory performance, employees move out of the area, and were offered less responsibility, more pay, 401K and other benefits, and a higher position by another employer (i.e. Teacher when they qualified as an Associate teacher with Head Start going to work in child care at the Rancheria).

Finally, related to turnover rates, the 2002 Provider Survey attempted to get a picture of anticipated turnover in the Calaveras County early care and education work force by asking respondents how long they intended to stay in the profession. Nearly all providers (95%) expected to remain in the field, while only 5% anticipate leaving the field. For the 5% leaving the profession, 2% were leaving to work in an entirely different field, and 3% were leaving for better wages and/or benefits. For those providers who expected to stay in the field, 43% anticipated they would work five more years or fewer.