

# The Importance of Financial Supports for Child Care Teachers during the Pandemic: New Findings from Virginia

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Early educators play a vital role in children’s lives. However, teachers in child care centers leave their jobs at very high rates and high turnover can negatively impact young children, their families, and the economy more broadly.<sup>1</sup>

Prior to the pandemic, nearly a quarter (24%) of Virginia child care teachers left their jobs within an 8-month period.<sup>2</sup> Low wages are likely one key factor driving exits. Many child care teachers earn minimum wage<sup>3</sup> and an estimated 51% of child care providers receive federal assistance.<sup>4</sup> In Virginia, teachers making \$9.75 an hour or less were nearly twice as likely to leave their sites as those making at least \$14.25 an hour.<sup>5</sup>

The COVID-19 pandemic exacerbated staffing problems in child care settings. An estimated 370,000 child care educators left the workforce during the pandemic, and recent estimates show there are now 10% fewer workers in child care than pre-pandemic.<sup>6,7</sup> These staffing challenges meant some served fewer children and some parents could not return to work due to lack of reliable child care.<sup>8</sup>

To address these problems, many states are using federal relief dollars to provide compensation supports and bonuses for early educators.<sup>9</sup> Pre-pandemic research from Virginia shows that financial incentives can significantly reduce

## SUMMARY

- COVID exacerbated longstanding staffing challenges in child care settings, with many sites struggling to retain teachers.
- Many states are using federal recovery dollars to combat staffing challenges, oftentimes through financial incentives for child care teachers.
- Since 2019, Virginia has been piloting the Teacher Recognition Program (TRP), a financial incentive program aimed at supporting early educators and reducing turnover.
- Teachers reported very high levels of support for the TRP, with most noting the funds helped them pay for basic needs like food and housing during the pandemic.
- About 2 in 5 teachers indicated that the TRP led them to stay in their position longer than they otherwise would have.

turnover among child care teachers.<sup>10</sup> However, it is unclear how these types of incentives impacted the child care workforce during the pandemic. This brief uses survey data from over 2,000 teachers in Virginia child care centers and family day homes to describe teachers' experiences with financial incentives during the pandemic. These teachers were eligible for Virginia's Teacher Recognition Program (TRP), which provided up to \$2,000 in financial incentives to teachers who remained employed at their sites over a 6-month period. We describe the impact of these incentives on teachers' sense of feeling appreciated in their job, financial well-being, and retention.

## **VIRGINIA'S TEACHER RECOGNITION PROGRAM**

In 2019, Virginia was awarded a \$9.9 million federal Preschool Development Birth through Five Initial Grant (PDG)<sup>11</sup> and began a set of efforts to increase families' access to stable, affordable, and high-quality early care and education (ECE).<sup>12</sup> Virginia's Teacher Recognition Program (TRP) is one of the initiatives supported by the PDG funds, providing financial incentives to child care teachers.

Virginia established the TRP to recognize early educators' hard and essential work, improve their financial stability, reduce turnover, and in turn enhance young children's experiences in publicly funded ECE. In its pilot year (May through December 2019), about 2,500 eligible teachers at publicly funded sites, including family child care homes, center-based care, Head Start, and state-funded pre-k, could receive up to \$1,500 if they stayed at their sites for an 8-month period.

Experimental evidence from this pilot year showed that teachers who had the opportunity to receive the TRP left their sites at much lower rates than those who did not.<sup>13</sup> This evidence compelled the state to invest further in supporting the ECE workforce complementing its 3-year federal PDG Renewal Grant with additional state funds to sustain and expand the TRP in the years following the pilot program.

## **THE TEACHER RECOGNITION PROGRAM IN 2020-2021**

In the TRP's second year, only teachers in child care centers and family day homes were eligible for the incentive, as these teachers receive considerably lower pay than their peers in school-based pre-k sites and benefited most from the TRP in its pilot year.<sup>14</sup> In total, 3,000 teachers at 600 publicly funded child care centers and family day homes were eligible.<sup>15</sup>

Teachers were eligible if they worked directly with children (i.e., as teachers, assistant teachers, floaters, etc.) for at least 30 hours per week at a PDG-participating site in fall 2020. They could earn payments totaling up to \$2,000 if they continued to work at their sites over a 6-month period. Teachers could use the TRP payments for whatever they wished (personal

expenses, professional expenses, etc.). The funds represented a considerable increase in pay. For instance, for a teacher earning \$14/hour (the average wage of our sample) and working 40 hours per week, \$2,000 is equivalent to a 14% wage increase over a 6-month period. By the end of the TRP period, the program had disbursed \$4,860,750 in payments to eligible teachers in 600 child care centers and family day homes.







All TRP participants were invited to complete two surveys, one at the beginning of the program and one after the program ended. These surveys included questions about their demographics, financial wellbeing, mental health, and experiences with the TRP. Participants received a \$20 gift card for each completed survey. About 2,000 of the TRP participants submitted survey responses, constituting a response rate of 67%.<sup>16</sup>

## TRP PARTICIPANTS

Of the 2,042 eligible teachers who responded to the post-program survey, 92% taught in a child care center and 8% in a family day home. Among center-based teachers, 66% were lead teachers and 34% were assistant teachers, co-teachers, or in another child-facing role. Of the family day home participants, 73% owned or directed the site and 27% were employees (i.e., teacher, assistant teacher).

Almost all participants (98%) were women. About a third (29%) were Black, non-Hispanic, and another 13% were Hispanic. About half (48%) reported being White, non-Hispanic. The average yearly salary for TRP participants was \$29,600 (\$14.24/hour). About half (53%) of the sample did not have a college degree; 17% held an Associate’s degree, and roughly one third held a Bachelor’s degree or higher. Finally, TRP participants had, on average, 11 years of ECE

## ABOUT THE SAMPLE<sup>i</sup>

	92%	Center <sup>ii</sup>
	8%	Family Day Home
<i>Center Teachers</i>		
	66%	Lead teacher
	34%	Assistant teacher, co-teacher, floater, or other role
<i>Family Day Home Teachers</i>		
	73%	FDH owner, director, or leader
	27%	FDH employee, teacher, assistant teacher, or other role
	29%	Black, non-Hispanic
	13%	Hispanic, regardless of race
	10%	Multiracial or another race
	48%	White, non-Hispanic
	\$29,600	Average annual salary
	~\$14	Average hourly wage
	23%	High school diploma or less
	30%	Some college
	17%	Associate’s degree
	30%	Bachelor’s degree or higher
	11 years	Average amount of ECE experience

i. Table reflects characteristics of the 2,042 (66%) participants who responded to the post-program survey.

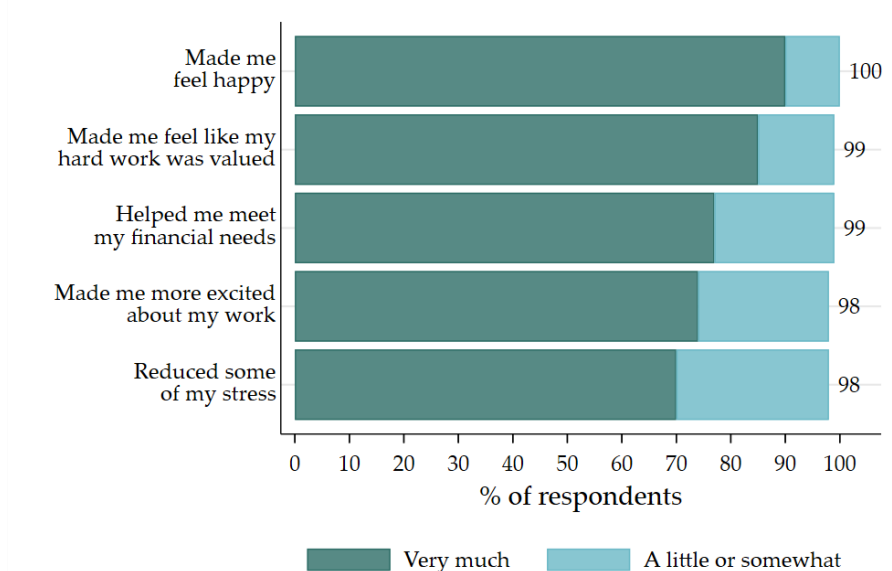
ii. 33% of teachers in a center setting worked at a Head Start program.

experience. In general, TRP participants were similar to other child care teachers in the state and nationwide with respect to these characteristics.<sup>17</sup>

## TEACHERS' VIEWS OF THE TRP AND ITS VALUE

Overall, teachers were very enthusiastic about the TRP. Nearly all (98% or more) participants agreed that the TRP payment made them feel happy, made them feel like their work was valued, helped meet financial needs, made them more excited about their job, and reduced some of their stress. Most teachers (>70% for all items) indicated *very* strong support for each of these items.

**Figure 1:** Teachers' Perceptions of the Teacher Recognition Program: "Overall, receiving the payment(s) through the Teacher Recognition Program..."



Note: Based on 1,702 to 1,721 responses.

Many teachers expressed in response to an open-ended question, how underappreciated they typically feel in their work as early educators, and how the TRP helped counteract those feelings.<sup>18</sup> One child care center teacher wrote, "I feel teachers are not recognized or given importance. Comparing the salary we receive as teachers to some good-paying families for nannies, restaurant servers with their tips, receptionists, etc... We are really being paid very low as if what we do is not valuable." Another child care center teacher explained, "As preschool teachers in Virginia, we are subjected to minimum wage and a sliding scale of work hours due to enrollment needs, pandemic, and closures due

**"I had to quarantine 3 times due to the COVID virus. Having the \$250.00 a month was such a relief to pay bills that were due."**

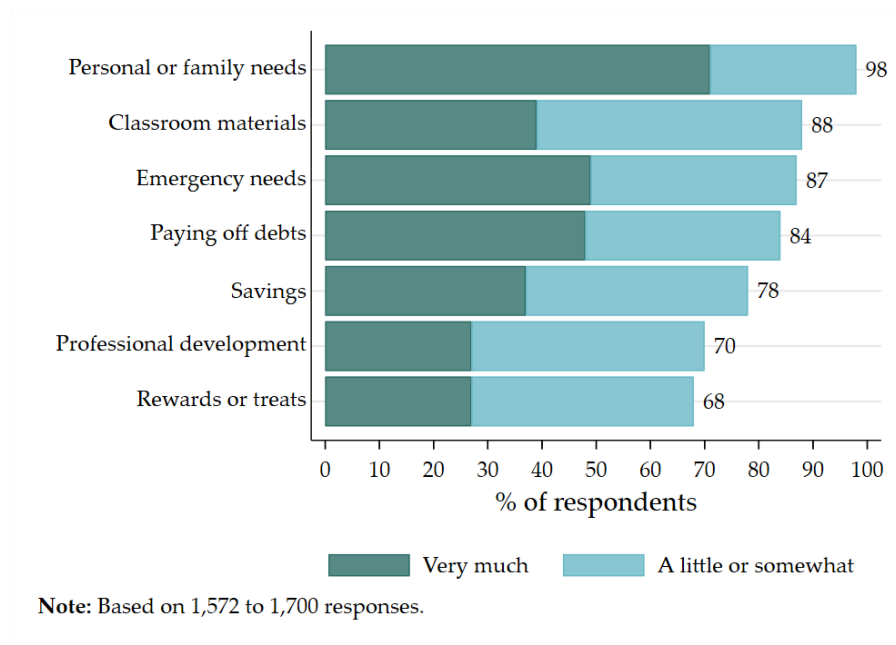
to COVID outbreaks. Being financially recognized and appreciated was the ultimate reward and greatly needed.” Similarly, one family day home teacher shared their gratitude for being included in the program: “The fact that someone was thinking about us as family day home providers meant a lot. Sadly, we can rank low on the education pole when the work we do is just as important as any other level, to me, and to be added in the recognition pool was outstanding.”

### THE EFFECT OF THE TRP ON TEACHERS’ FINANCES

One explicit goal of the TRP was to reduce teachers’ financial stress, and as shown above, 99% of respondents indicated the payments helped them meet their financial needs. Teachers could use the TRP incentives in any way they chose. The survey asked participants to what extent the TRP helped them pay for seven different types of expenses: personal or family needs (i.e., housing, food, bills), paying off debts, addressing emergency needs, saving money, buying materials for the classroom, paying for professional development or education, and using the money for rewards or treats (i.e., vacations, going to the movies).

Nearly all respondents (98%) reported that the payments helped them pay for personal or family needs (e.g., housing, food, and paying bills), with 71% indicating the TRP funds helped *very much*. The next most frequent response was classroom materials. That the vast majority of teachers (88%) reported the funds were helpful in this area is striking given that teachers were not required to spend any funds on job-related costs.

**Figure 2:** Teachers’ Perceptions of the Teacher Recognition Program: “The payments helped with the following expenses...”



Teachers noted how the TRP payments allowed them to afford basic needs. One wrote, *“The payments came during the time of year that my hours got cut back, so most of the money went towards rent or groceries. For that reason, it was very helpful.”* A new mother wrote, *“It helped me save for maternity leave and provide me the chance to take a summer-long maternity leave even though it was unpaid.”*

Teachers also shared that the funds were helpful in managing specific COVID disruptions. One wrote: *“I had to quarantine 3 times due to the COVID virus. Having the \$250.00 a month was such a relief to pay bills that were due.”* Another shared, *“It helped me financially when I became sick with COVID-19 and was hospitalized and in the ICU.”*

## THE TRP AND TEACHER TURNOVER

One key goal of the TRP is to help stabilize the child care workforce and reduce turnover. Experimental evidence suggests that pre-pandemic, the TRP had a large impact, cutting child care teacher turnover in half in one large Virginia community.<sup>19</sup>

No comparable evidence is available for the program’s second year. We do know that by the end of the six-month program, 498 teachers initially eligible for the TRP (16% of those initially eligible for the incentive) had left their site.



It is not clear, however, how much higher this rate might have been in the absence of the TRP payments and indeed, 2 in 5 teachers indicated the TRP made them stay in their position longer than they would have without it.

In written responses, some teachers reflected on how the TRP program impacted their decision to stay at their child care site. One wrote, *“With 20 years’ experience in the field and a Bachelor’s degree in ECE, it offends me that we don’t get recognized or receive the same benefits and wages as our public school counterparts. This grant keeps me motivated in my*

***“This grant keeps me motivated in my field... I hope this continues and encourages staff new to the field to stay long enough to see this as a profession, not a job.”***

*field... I hope this continues and encourages staff new to the field to stay long enough to see this is a profession, not a job.”* Another teacher elaborated on how the TRP helped address the challenge of keeping child care teachers engaged in an underpaid field: *“I have a calling to teach and it has*

*never seemed fair to me that the children who are from poorer families have to suffer through a revolving door of less qualified teachers. This grant helped to stabilize our center and encourage young teachers to stick with teaching.”*

## IMPLICATIONS

A stable early care and education sector benefits children, their families, and the broader economy. However, child care teachers are paid low wages, and high levels of teacher turnover undermine the quality of care. In the wake of the pandemic, these challenges have become even more acute: Child care centers are struggling to recruit and maintain a stable workforce, which has resulted in reduced classrooms, extra stress for remaining teachers, long wait lists for families, and children experiencing churn in their caregivers.<sup>20</sup>

In response, states have used relief funds to support bonuses, incentives, and other wage supplements for early care workers. However, there is not yet much evidence on how much these programs are helping teachers. Findings from Virginia's incentive program, the TRP, provide compelling evidence that teachers have benefitted. Financial incentives can substantially reduce turnover<sup>21</sup> and improve teachers' well-being. These findings demonstrate the need for sustained increases in early care and education teacher compensation to support this underappreciated and underpaid workforce.

Yet even among TRP-eligible teachers remained high: 16% left their sites during the 6-month program period. These high rates of teacher turnover threaten the stability of early care and education programs, particularly given the widely reported challenges of hiring new teachers.<sup>22</sup> Many teachers shared that the money and recognition of the TRP provided an essential support during the pandemic by ameliorating immediate financial stress. However, longer-term solutions are needed to increase and stabilize compensation for early educators.

Child care centers must be able to reliably offer their teachers a living wage so that teachers are able to stay in their jobs. The Build Back Better plan recently passed in the House of Representatives includes provisions to support states in meeting this goal, including by setting publicly funded reimbursement rates high enough that centers can provide workers a living wage, ideally at parity with elementary school educators.<sup>23</sup> Transformative investments are vital for improving the stability and well-being of child care teachers and achieving high-quality, reliable care for the children and families these critical educators serve.

**“... it has never seemed fair to me that the children who are from poorer families have to suffer through a revolving door of less qualified teachers. This grant helped stabilize our center and encourage young teachers to stick with teaching.”**

## ENDNOTES

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- <sup>15</sup> The second year of Virginia's PDG B-5 included publicly funded ECE programs located in 70 different cities and counties across the state. These communities account for about two-thirds of Virginia's population. Within these PDG-participating sites, there were 3,111 teachers eligible to participate in the TRP program in 2020-2021.
- <sup>16</sup> This response rate is high compared to most surveys of early educators, which often do not exceed 40%. See: Boyd-Swan, C., & Herbst, C. M. (2019). Racial and ethnic discrimination in the labor market for child care teachers. *Educational Researcher*, 48(7), 394-406. <https://doi.org/10.3102/0013189X19867941>
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