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“The Forgotten Ones” — The Economic Well-Being of Early Educators During COVID-19

Findings from the 2020 California Early Care and Education Workforce Study

By Anna Powell, Raúl Chávez, Lea Austin, Elena Montoya, Yoonjeon Kim, and Abby Copeman Petig

Executive Summary

This report provides a closer look at the well-being of the early care and education (ECE) workforce in California, using data collected by the Center for the Study of Child Care Employment (CSCCE) through the 2020 California Early Care and Education Workforce Study. For decades, low levels of public investment in this sector have kept the ECE workforce—largely women of color and immigrant women—in a grim financial bind. During the first year of the pandemic, the majority of early educators continued to work in person—risking their health and that of their families—while K-12 schools closed for distance learning. This report reveals new details on the economic realities of life as an early educator during the COVID-19 public health crisis.

Key Findings From the California ECE Workforce Study

- Virtually all early educators are women, the vast majority are women of color, and a substantial number were born outside of the United States. Compared to working adults in California, members of the ECE workforce tend to earn lower wages, and their economic well-being suffers as a result.
- While the majority of family child care (FCC) providers own their home—often essential to maintaining a home-based business—only 39.9 percent of center teachers are homeowners, compared to 54.7 percent of working California adults statewide.
- Around one third of family child care providers and center-based teachers require at least one form of public assistance, such as Medi-Cal.
- Food insecurity is relatively high. Roughly one third of FCC providers and center teachers report that they lack the quality or kinds of food they need. This number climbs to 39 percent for center teachers who are women of color and 42 percent for educators who are immigrants.
- Educators' low wages leave them ill prepared for a financial shock. While the majority of early educators can find a way to cover an unexpected \$400 expense, they are much less likely to be able to pay part or all of the cost outright. The majority of family child care providers (two out of three) could only manage by taking on debt.
- Working in early care and education is often hardest for younger educators and those who do not live with a partner. For instance, 17.5 percent of FCC providers under age 40 rely on food stamps, and unpartnered FCC providers are 10 percentage points more likely to worry about their routine health-care costs than partnered providers.

- Centers were more likely to close for a portion of 2020 as the result of the pandemic, largely due to broad closures by school districts and other networks of programs. While FCC programs were more likely to stay open, they faced substantial challenges in doing so. Among those that ultimately closed by late 2020, 14 percent of programs felt the change was permanent.
- Staying open for even part of 2020 required most programs to endure serious financial turmoil. Among family child care providers, more than one quarter took on credit card debt to fund operations and more than one third went without paying themselves at some point.
- Early educators working in programs with stable subsidized funding weathered the pandemic better. Only 3 percent of directors in centers with Head Start or state-funded contracts reported a furlough, compared to 13 percent in centers without public funding.

Recommendations for Policymakers

Recommendation 1: Establish and fund the wage floor for early educators at the regionally assessed living wage and articulate minimum benefit standards (health insurance, paid leave, retirement).

- Compensation for center- and home-based educators should also account for job role, experience, and education levels, up to parity with similarly qualified TK and elementary school teachers.

Recommendation 2: Provide targeted funding and systemic changes to end disparities in the workforce that include those related to race and ethnicity, immigration status, and geography.

Recommendation 3: Fund direct, targeted support to family child care providers, who face unique financial hardships.

Recommendation 4: Prioritize stable contract-based funding arrangements for both centers and home-based providers.

- Contracts should guarantee a base funding amount—accounting for the number of publicly funded spots rather than using volatile enrollment levels—and compensate non-contact hours (i.e., paid preparation/planning time).

Recommendation 5: Fund and make publicly available longitudinal research on the early care and education system and workforce.

- California should include a plan to reach full participation in state workforce data systems for all members of the ECE workforce employed in school-, center- and home-based child care settings.

Recommendation 6: Ensure that all state policies are made in consultation with early educators.

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Introduction

The COVID-19 pandemic has generated extensive media coverage on the destabilization of the child care system, from its chilling effect on maternal labor force participation, to the struggle to attract and retain qualified educators (Cain Miller, 2021; Roosevelt, 2021). The pandemic continues to have serious implications for the economic well-being of parents, young children, and early educators, and it has exposed the shaky foundation on which the United States early care and education (ECE) system was constructed.

This report provides a closer look at the economic well-being of the ECE workforce in California, using data collected by the Center for the Study of Child Care Employment (CSCCE) through the 2020 California Early Care and Education Workforce Study. At the time of the survey, program closures and uncertain levels of enrollment were a constant threat, and vaccines were not yet available. On the surface, the survey findings reflect a workforce in crisis. The roots of these challenges, however, existed before the onset of the pandemic.

The current state of ECE policy and financing relies on paying poverty- or near-poverty-level wages. CSCCE has documented the depressed wages and challenging working conditions that existed prior to the pandemic, which in fact stretch back for decades (Gould, Whitebook, Mokhiber, & Austin, 2019). The resulting economic hardship falls on a workforce composed almost entirely of women—primarily women of color, including a substantial number of immigrant women. Even within the workforce, there are disparities in pay, with particularly harsh conditions for Black educators (Austin, Edwards, Chávez, & Whitebook, 2019; Gould, Whitebook, Mokhiber, & Austin, 2019). In other words, California’s current level of public investment in early education keeps its workforce—largely women of color and immigrant women—in grim financial circumstances.

During the first year of the pandemic, the majority of early educators continued to work in person—risking their health and that of their families—while K-12 schools were closed for distance learning. This report reveals new details on the economic realities of life as an early educator during the COVID-19 public health crisis.

Key Findings From the California ECE Workforce Study

- Virtually all early educators are women, the vast majority are women of color, and a substantial number were born outside of the United States. Compared to working adults in California, members of the ECE workforce tend to earn lower wages, and their economic well-being suffers as a result.
- While the majority of family child care (FCC) providers own their home—often essential to maintaining a home-based business—only 39.9 percent of center teachers are homeowners, compared to 54.7 percent of working California adults statewide.
- Around one third of family child care providers and center-based teachers require at least one form of public assistance, such as Medi-Cal.
- Food insecurity is relatively high. Roughly one third of FCC providers and center teachers report that they lack the quality or kinds of food they need. This number climbs to 39 percent for center teachers who are women of color and 42 percent for educators who are immigrants.
- Educators' low wages leave them ill prepared for a financial shock. While the majority of early educators can find a way to cover an unexpected \$400 expense, they are much less likely to be able to pay part or all of the cost outright. The majority of family child care providers (two out of three) could only manage by taking on debt.
- Working in early care and education is often hardest for younger educators and those who do not live with a partner. For instance, 17.5 percent of FCC providers under age 40 rely on food stamps, and unpartnered FCC providers are 10 percentage points more likely to worry about their routine health-care costs.
- Centers were more likely to close for a portion of 2020 as the result of the pandemic, largely due to broad closures by school districts and other networks of programs. While FCC programs were more likely to stay open, they faced substantial challenges in doing so. Among those that ultimately closed by late 2020, 14 percent of programs felt the change was permanent.
- Staying open for even part of 2020 required most programs to endure serious financial turmoil. Among family child care providers, more than one quarter took on credit card debt to fund operations and more than one third went without paying themselves at some point.
- Early educators working in programs with stable subsidized funding weathered the pandemic better. Only 3 percent of directors in centers with Head Start or state-funded contracts reported a furlough, compared to 13 percent in centers without public funding.

About the Data

In 2006, CSCCE mounted a broad survey of California's early educators, the most comprehensive investigation of its kind in the state. In the 15 years that followed, profound changes reshaped the state's economy and the ECE system and workforce along with it. Prior to the start of the COVID-19 pandemic, CSCCE designed an updated workforce study, consulting with partners in the field, the research community, and the state capitol to develop the scope. The economic well-being of educators became a core area of focus for the study.

In early 2020, just as CSCCE prepared to launch the study, the coronavirus pandemic erupted. In response, CSCCE and its partners pivoted to implement the COVID-19 Impact Study to monitor the resulting chaos in early care and education. We published several data snapshots and reports on our COVID-19 study, including *The Consequences of Invisibility: COVID-19 and the Human Toll on California Early Educators* (Doocy, Kim, Montoya, & Chávez, 2021).

During this time, CSCCE recrafted the surveys for the 2020 California Early Care and Education Workforce Study to account for the COVID-19 context. From October through December 2020, CSCCE surveyed representative samples of approximately 2,000 center administrators and 3,000 home-based family child care providers, as well as non-probability samples of about 2,500 center-based teaching staff members and 280 transitional kindergarten (TK) teachers.

We administered four surveys of approximately 100 questions each, resulting in an extensive data set that includes program characteristics, characteristics of children served, program staffing, and workforce demographics (including age, gender, race and ethnicity, education, experience, tenure, and compensation), as well as information on economic well-being, work environment, and the impact of COVID-19 on their livelihood and their lives. Eight of the questions invited educators to respond to an open-ended prompt, leading to more than half a million words of passion for their profession and heartbreak from its challenges (Montoya & Powell, 2021).

In this report, we will focus on our three primary populations: center directors, family child care providers, and center teachers. As we cite the 2020 California Early Care and Education Workforce Study, not all of the findings from this study will appear in a table or figure. Additionally, published findings on TK teachers may be found in our 2021 data snapshot, *New Data Shows Early Educators Equipped to Teach TK* (Williams, Montoya, Kim, & Austin, 2021). To request information on the data referenced in this report, please contact CSCCE.

Throughout this report, we endeavor to provide comparable estimates for working adults living in California or in the United States. To that end, we incorporate analysis of the 2019 American Community Survey (ACS) and the 2019 Current Population Survey, including the Annual Social and Economic Supplement (CPS-ASEC) and Food Security Supplement (CPS-FSS) (Flood, King, Ruggles, & Warren, 2020; Ruggles et al., 2020). Additional estimates derive from our analysis of the 2020 Survey of Household Economics and Decisionmaking (SHED) (Board of Governors of the Federal Reserve System, 2021).

Characteristics of the Early Educator Workforce in California

Approximately 44,900 educators work in family child care (FCC) programs, along with an estimated 83,800 teachers and teaching assistants in centers (Kim, Powell, & Montoya, 2021). Additionally, at least 9,500 staff members serve as directors and administrators in ECE settings. Educators of color comprise the majority of the workforce, including 71 percent of FCC owners, 66 percent of center teachers, and 45 percent of center directors. Nearly all (98 percent) are women, and a majority are married or living with a partner: approximately two out of three center teachers and three out of four center directors and FCC providers. More than one half (53 percent) of center directors and FCC providers are over age 50, along with one third of center teachers and assistants (Powell, Kim, & Montoya, 2022).

Many of California's early educators were born outside the United States: 42 percent of FCC providers, 28 percent of center teachers, and 18 percent of center directors. More than one third are multilingual, speaking two or more languages, with multilingual Spanish speakers making up the largest group. Nineteen percent of all center directors are multilingual Spanish speakers, as well as 28 percent of FCC providers and 35 percent of center teachers and aides.

ECE working conditions vary based on the setting. FCC programs take place in a designated space in the educator's home, while center-based programs operate out of a facility, usually with much larger capacity. Participation in subsidized funding streams also varies. Around one in four centers (26.7 percent) has a contract for state-funded or federally funded care, such as Head Start or State Preschool. By comparison, fewer FCC providers (11.8 percent) have contracts. While many programs of both types accept voucher-based subsidies, like CalWORKS, these sources of funding may fluctuate with enrollment.

For many early educators in California, the profession is a source of passion and pride. However, it is rarely a source of stable income. As in other professions dominated by women of color, wages in early care and education are low. Based on CSCCE’s analysis of Bureau of Labor Statistics data, the median hourly wage in 2019 for a California child care worker was \$13.43, whereas preschool teachers earned \$16.83. Meanwhile, a kindergarten teacher earned \$41.86 per hour—just above the California living wage for a single parent with one child (Glasmeier, 2021; McLean, Austin, Whitebook, & Olson, 2020). In addition to poor wages, many early educators lack access to benefits such as health care or retirement savings (Whitebook & Ryan, 2018).

Meet a Center Teacher: “Even if I work full time, 40 hours a week, my annual salary is still below poverty level.”

This educator is an Asian woman in her forties who lives with her partner in Los Angeles County.

Please provide any additional information about your economic well-being that you would like to share but was not addressed in the previous questions.

“The profession as a child educator is not paid enough money compared to other professions. I have been working in the same center for more than five years and have earned more than 50 units in ECE and have a BA degree from my home country, and only earn \$15 per hour. This profession surely requires education to give better quality care, but it seems like it is not being respected enough in terms of salary. Even if I work full time, 40 hours a week, my annual salary is still below poverty level.”

How has COVID-19 affected your employment outlook for the near future?

“The center I have been serving has reduced students due to CDC health and safety guidelines during [the] pandemic. I am not sure if I will be back working in the same center since there are enough teachers in this center. Another problem I have is I cannot afford child care for my 3rd grader who has to stay home due to the school closing, even if I find a job opening.”

What do you want people to know about being a child care provider right now?

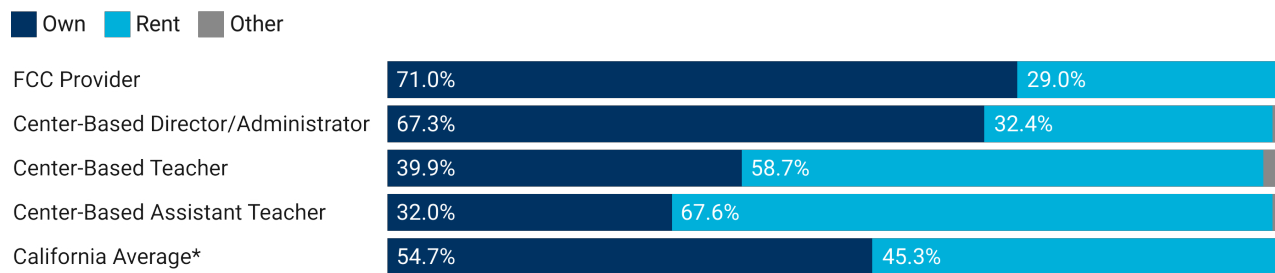
“We love and care so much about [the] children entrusted to us, but at the same time we are struggling to earn enough living for our family. Luckily my spouse has a job that can cover almost all the living expenses. I can’t imagine a teacher like me who supports themselves.”

The Economic Well-Being of Early Educators

Housing is a challenge in an expensive state.

Among center-based teachers in our study, 39.9 percent are homeowners, compared to 54.7 percent of all working adults statewide (Ruggles, et al., 2020). Only 32 percent of center-based assistant teachers are homeowners. Instead, one third of them rent a home, one quarter rent a room, and nearly one in ten live with family. FCC providers, who operate their program under their own roof, are much more likely to be homeowners (71 percent). Center-based directors (67.3 percent) are also more likely to own their home than the state average. On the other hand, at least eight of our center-based respondents experienced homelessness in late 2020. **Figure 1** shows the breakdown of renting and homeownership across populations, with a comparison to working Californians.

FIGURE 1. LIVING ARRANGEMENTS OF EARLY EDUCATORS IN CALIFORNIA, 2020



Source: Center for the Study of Child Care Employment, University of California, Berkeley; California average based on authors' analysis of American Community Survey public use microdata, accessed through IPUMS (Ruggles et al., 2020).

* Members of the labor force age 18 and older in California.

FCC Provider N = 2,217

Center-Based Director/Administrator N = 1,580

Center-Based Teacher N = 1,312

Center-Based Assistant Teacher N = 581

Following national trends, there is a racial gap in homeownership rates among segments of the workforce. For instance, while 72 percent of White center directors own their home, only 40 percent of their Black counterparts are homeowners.

Like many families in the United States, many early educators fell behind on rent or made late payments on their mortgage during 2020. Approximately one in five center-based ECE workers either missed or made a late payment on rent—similar to the national average for the same period (Center on Budget and Policy Priorities, 2021). Meanwhile, almost one in three family child care providers were behind on rent or mortgage payments. Within this group, approximately one half were able to make a partial payment, while the rest could not. Rent instability is particularly damaging for educators in family child care settings, and eviction would be highly disruptive to their home-based operations. Black FCC providers and unpartnered FCC providers were the most heavily impacted, with 42 and 43 percent falling behind on rent, respectively.

Meanwhile, almost one in three family child care providers were behind on rent or mortgage payments.

Meet a Center Director: “We are the forgotten ones.”

This educator is a 56-year-old Black woman in Los Angeles County with 40 years of experience in early care and education.

Please provide any additional information about your economic well-being that you would like to share but was not addressed in the previous questions.

“I get paid \$4,600 per month and DO NOT qualify to rent an apartment in the immediate area of my job. One has to make THREE times the rent. I cannot even afford my own place. That’s ridiculous. All my teachers live with someone or are married. This industry needs better pay.”

How has COVID-19 affected your employment outlook for the near future?

“[I am] worried if the children don’t return to the center, we might not be able to stay open.”

What do you want people to know about being a child care provider right now?

“We are certainly frontline workers. We are the forgotten ones. As we engage with young children, we expose ourselves to others and take health risks every day. We deserve acknowledgement and better pay, as an industry.”

Public assistance is vital for many educators.

Reflective of their low earnings, a number of educators require one or more forms of public assistance, such as the Supplemental Nutrition Assistance Program (SNAP, which is known as CalFresh in California) or the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Figure 2 shows participation in public assistance programs by provider type, with a comparison to all working adults in California.

More than four in ten family child care providers (41.9 percent) participate in at least one public assistance program. Center-based teachers are close behind, at 31.6 percent. Directors, who typically earn higher salaries, have lower participation, at 16.4 percent. Medi-Cal, California’s Medicaid, is the most common program for all three groups.

FIGURE 2. EARLY EDUCATOR PARTICIPATION IN PUBLIC ASSISTANCE PROGRAMS IN CALIFORNIA, 2020

| | FCC Provider | Center Teaching Staff | Center Director | California Average* |
|----------------------|--------------|-----------------------|-----------------|---------------------|
| One or more | 41.9% | 31.6% | 16.4% | ‡ |
| Medicaid (child)** | 26.2% | 29.2% | 15.1% | 25.3% |
| Medicaid (self) | 18.1% | 12.1% | 3.8% | 15.5% |
| WIC** | 17.6% | 17.6% | 7.0% | 16.2% |
| SNAP | 9.1% | 8.1% | 2.8% | 9.3% |
| Food pantry | 8.1% | 8.4% | 3.7% | ‡ |
| Child care subsidy** | 5.9% | 5.5% | 3.2% | ‡ |
| Housing subsidy | 0.6% | 1.0% | 0.2% | 3.2% |
| TANF** | 0.5% | 0.5% | 0.1% | 1.3% |
| Other | 1.1% | 2.0% | 1.9% | ‡ |

Source: Center for the Study of Child Care Employment, University of California, Berkeley; authors’ analysis of American Community Survey and Current Population Survey public use microdata, accessed through IPUMS (Flood et al., 2020; Ruggles et al., 2020)

* Members of the labor force age 18 and older in California.

‡ Comparable estimate unavailable.

** These programs are only available to parents. Our estimates accordingly exclude responses from individuals without age-eligible children.

FCC Provider N = 2,175

Center Teaching Staff N = 2,271

Center Director N = 1,573

Statewide, approximately 9.3 percent of working adults participate in SNAP, with FCC providers and center teachers reporting similar rates (Ruggles et al., 2020). When disaggregated by age, however, a different pattern appears. Among workers under age 40, center-based teaching staff are roughly on par with the average (11.5 percent of Californians); meanwhile, an estimated 17.5 percent of FCC providers of the same age group rely on the program.

“Although my school was eligible to apply for SBA (Small Business Administration) pandemic loans, our income/expense line is so razor thin that I can’t afford to take on debt and make payments once the school re-opens... I owe more than \$6,000 in back rent on my lease for the school. My landlord has been very understanding, but I don’t know for how much longer.”

– Center Director, a separated White woman in her sixties in Northern California

Food insecurity runs higher than average.

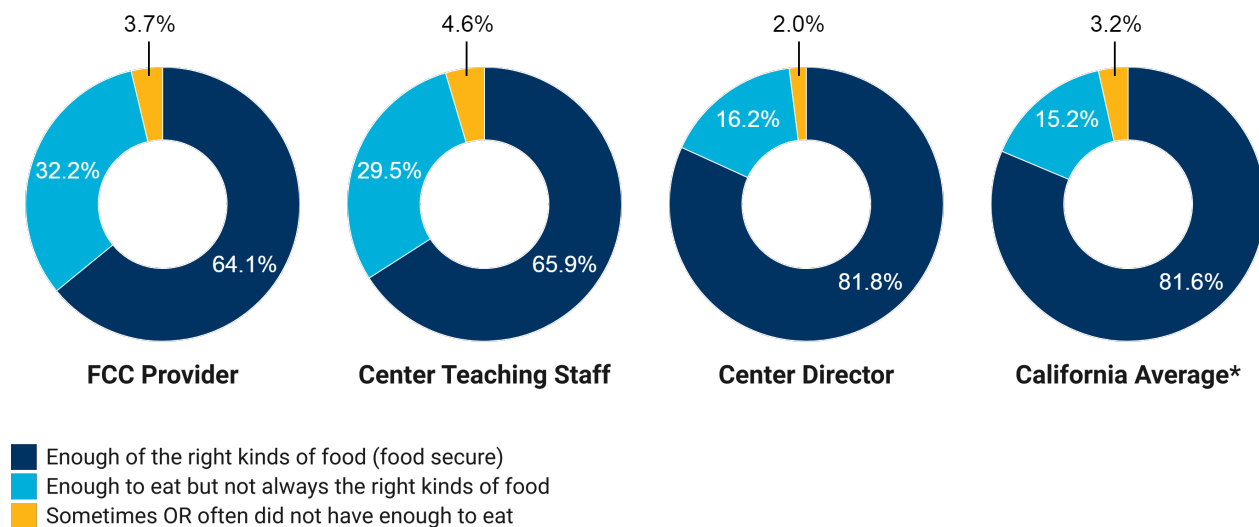
In December 2020, an estimated 3.2 percent of working Californians sometimes or often did not have enough food to eat, an increase from 2.4 percent the prior year (Flood et al., 2020). By comparison, 4.6 percent of center teachers sometimes or often did not have enough food to eat, a reality shared by 3.7 percent of FCC providers and 2 percent of center directors.

Individuals experiencing food insecurity also include those lacking the quality or kinds of food they need. By this measure, 18.4 percent of working adults in California were food insecure in December 2020 (Flood, et al., 2020). Meanwhile, roughly one third of FCC providers and center teachers experienced food insecurity. **Figure 3** shows a breakdown of food insecurity among early educators and all working Californians on average.

Roughly one third of FCC providers and center teachers experienced food insecurity.

Women of color, unpartnered educators, and educators born outside of the United States were more likely than their peers to report food insecurity. For instance, among center teachers, 39 percent of women of color experience food insecurity, as do 40 percent of unpartnered educators and 42 percent of educators born outside the United States.

FIGURE 3. EARLY EDUCATOR FOOD SECURITY IN CALIFORNIA, 2020



Source: Center for the Study of Child Care Employment, University of California, Berkeley; authors' analysis of Current Population Survey public use microdata, accessed through IPUMS (Flood et al., 2020).

* Members of the labor force age 18 and older in California.

FCC Provider N = 2,174

Center Teaching Staff N = 2,255

Center Director N = 1,587

"I grew a garden. Got free food from church helping people needing food. Not having to buy much food lets [me] be able to pay our bills barely on time."

– FCC Provider, a married White woman in her sixties in the Bay Area

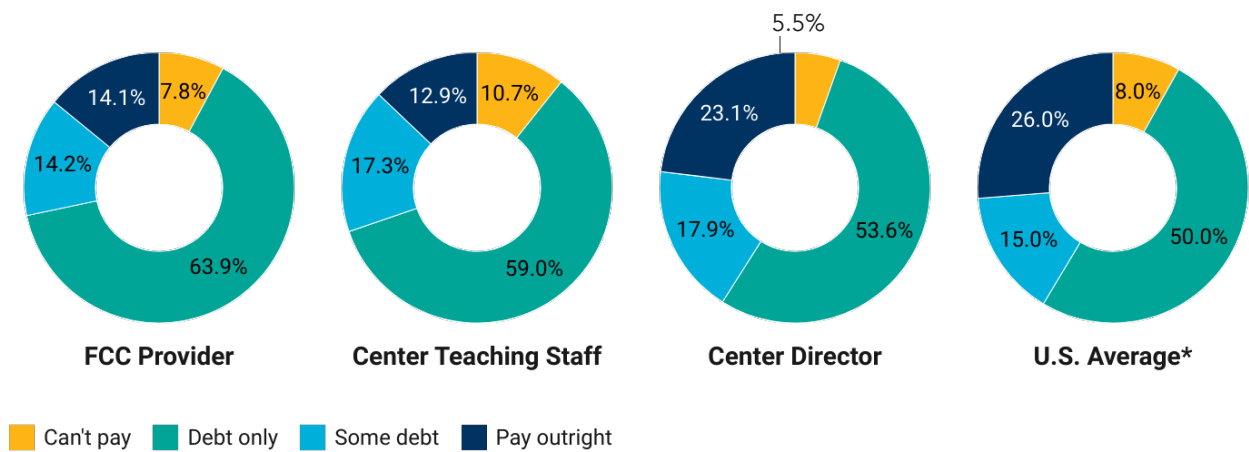
"At that time I was unable to afford a lot of food. But luckily the school provided me with meal vouchers, and they helped me get started on receiving SNAP benefits. Without that, I don't know how I would have eaten some months this year."

– Center Teacher, a married Latina woman in her thirties in Los Angeles County

A financial emergency would send most educators into debt.

Most of California’s early educators would only be able to cover a \$400 emergency expense by taking on debt, and some don’t think they could find a way to pay that expense at all. Specifically, around 26 percent of working adults in the United States would be able to pay for the expense outright, either by using cash or a credit card and paying the amount down in full at the next statement (Board of Governors of the Federal Reserve System, 2021). In contrast, only 23 percent of center directors could say the same, along with only 14 percent of FCC providers and 13 percent of center teachers. **Figure 4** provides the statewide breakdown of responses by sample population, side-by-side with the average for working adults in the United States.

FIGURE 4. HOW WOULD CALIFORNIA’S EARLY EDUCATORS PAY FOR A \$400 EMERGENCY IN 2020?



Source: Center for the Study of Child Care Employment, University of California, Berkeley; California average based on authors’ analysis of 2020 Survey of Household Economics and Decisionmaking (SHED) (Board of Governors of the Federal Reserve System, 2021).

* Members of the labor force age 18 and older in the United States

FCC Provider N = 2,077

Center Teaching Staff N = 2,195

Center Director N = 1,481

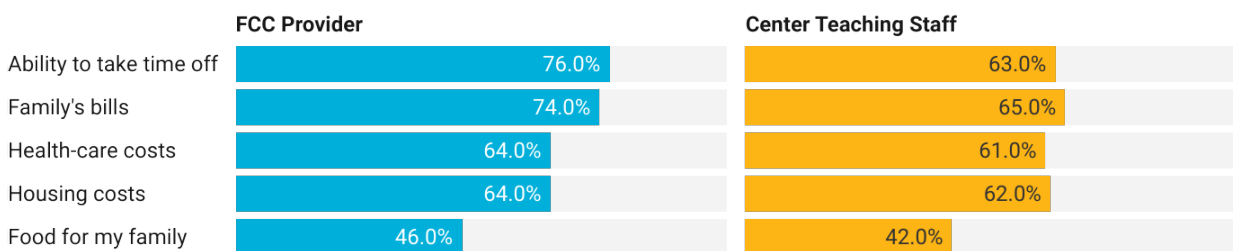
Compared to the national average, early educators are also much more likely to rely on debt to cover an emergency expense—especially educators working in family child care programs. An astounding two out of three could only use methods such as paying off credit card debt over time, borrowing from friends and family, selling something, obtaining a loan from a bank, or relying on a measure of last resort like overdraft, a deposit advance, or a payday loan. Access to public funding can help mitigate this problem for FCC providers. Contracting with Head Start (usually for infants in Early Head Start) or the California Department of Education (often for State Preschool) corresponds with a 7-percentage-point drop in relying solely on debt, when compared to FCC providers without stable public funding.

While most educators would rely on debt, some would not be able to cover such an event at all. Compared to the national average of working adults, center-based educators are somewhat more likely to be able to handle an unexpected expense of \$400 (11 percent of center-based educators, compared to 8 percent of working adults nationally). Meanwhile, FCC providers are on par with the national average for working adults. Unpartnered and younger educators, however, were somewhat more at risk. For instance, 12 percent of unpartnered FCC providers could not cover the unexpected cost, nor could 12 percent of FCC providers under age 40.

Educators worry about their economic well-being.

Daily life for many early educators can include navigating public assistance programs, food insecurity, and missing a rent payment—all before a financial emergency hits, which would expose the majority to new debt. Unsurprisingly, a typical person working in early care and education also contends with worries about their economic well-being. More than six out of ten center teachers, for example, worry about the cost of their family’s monthly bills or routine health care expenses. **Figure 5** compares the economic worries of family child care providers and center teaching staff members.

FIGURE 5. EARLY EDUCATOR WORRIES ABOUT ECONOMIC WELL-BEING IN CALIFORNIA, 2020



Source: Center for the Study of Child Care Employment, University of California, Berkeley
 FCC Provider N = between 1,836 and 2,172 (N varies by metric)
 Center Teaching Staff = between 2,283 and 2,311 (N varies by metric)

Running a family child care business comes with additional stress. For instance, three out of four FCC providers worry about paying for their family's bills. While economic worry is high across the ECE workforce, it is even higher for those who do not live with a partner. For instance, while 61 percent of unpartnered FCC providers worry about routine health-care expenses, 71 percent of their unpartnered peers share their concerns.

Worries vary by type of program funding, as well. While 41 percent of center directors in programs contracted with Head Start or the California Department of Education worry about the cost of housing, an estimated 45 percent of directors in programs with no public funding share this worry, along with 47 percent of center directors in programs with no public funding apart from vouchers.

“My economic well-being was fine until [the] end of [the] fiscal year when my subsidy program stopped paying for tuition of children if I remained closed. Therefore, my monthly income changed to \$1,680. This income has made me have to reopen to afford my monthly expenses.”

– FCC Provider, a married multiethnic woman in her twenties in Northern California

The future of the ECE field is uncertain.

At the time of this publication, we remain in a state of public health emergency, with changing health and economic conditions that may be driving upheaval in the ECE sector. For example, while more than one third of center directors saw staff turnover as a challenge both before the pandemic and at the time of the survey, center teachers saw turnover as a greater challenge by late 2020. In the intervening year, ECE employers have increasingly had to compete for workers with major corporations that have steadily raised wages to \$15 and higher and improved benefit packages, outstripping what ECE programs can afford. Bureau of Labor Statistics data shows ECE employment recovering at a slower rate than across all occupations, and 7.9 percent of workers still haven't returned to child care jobs in California (CSCCE 2021). While this figure does not include all early educators, such as self-employed family child care providers, it illuminates the lingering impact of COVID-19 on the ECE workforce.

“I am ready to move on from directing my own center. But I will keep it and hire someone else to run it. Hopefully. If there are any ECE teachers/directors left in the future. It's VERY hard to find staffing right now.”

– Center Director, a married White woman in her thirties in the Central Valley

In late 2020, at the time of the survey, some educators were uncertain about their future in the profession. For instance, among FCC providers that had not yet reopened, one quarter were uncertain whether they would open in the future. Younger providers were more likely to see themselves as permanently closed (nearly one third of home-based providers under age 40). Similarly, when asked about where they would likely be working in three years, 17 percent of FCC providers and center teachers weren't sure, a sentiment shared by 13 percent of center directors.

17 percent of FCC providers and center teachers weren't sure if they would keep working in early care and education.

Fortunately, among FCC providers who had closed by late 2020, roughly two-thirds anticipate reopening at some point. Indeed, as of January 11, 2022, approximately 1,100 more FCC facilities were operating, compared to December 1, 2020 (CDSS 2022). Additionally, regarding their likely place of employment in three years, very few educators see themselves leaving the field entirely. The greatest share who would leave early care and education is among center-based teachers, 5 percent of whom see themselves transitioning to K-12 and another 5 percent who envision themselves entirely leaving ECE and related jobs. Center teachers under age 30 are most likely of all to leave the ECE field: 13 percent see themselves teaching in K-12, and 9 percent see themselves working in a non-ECE field. Educators' worries about their future contribute to long-standing turnover challenges in early care and education (Whitebook & Sakai, 2003). Meanwhile, the majority of early educators will likely remain in the field, and they will continue to face substantial economic challenges until a substantial policy intervention.

"I feel trapped. The job market is in free fall and I have only ever successfully worked early childhood education as a career. I would stay in the field if the pay, benefits, and protections were better. But I can't get out of it soon enough the direction things have been heading."

– Center Teacher, a single White woman in her forties in the Bay Area

COVID-19 Further Erodes Economic Well-Being

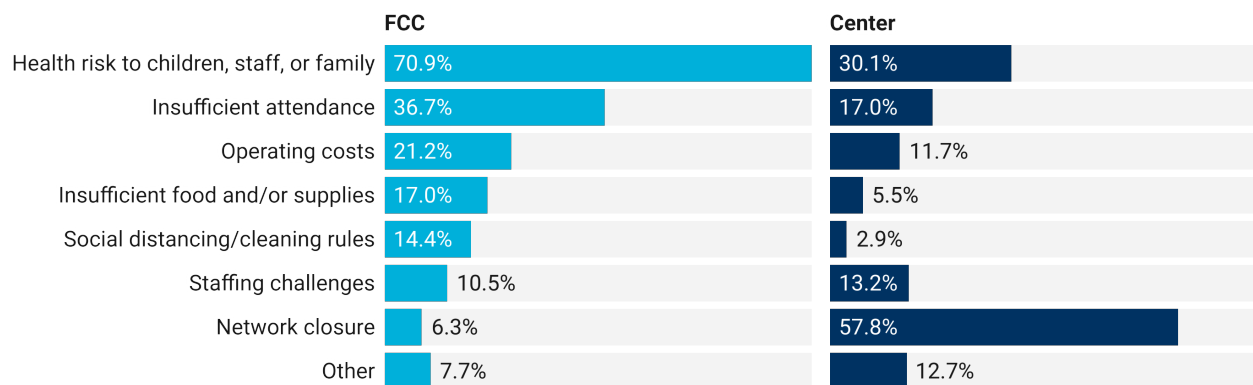
Despite the challenging conditions of operating during the COVID-19 pandemic, many ECE programs remained open for business or only closed temporarily. This finding varies dramatically across types of providers: in 2020, 77 percent of family child care programs stayed open throughout the pandemic, but only 27 percent of centers continued to operate. At the time of the survey, in late 2020, fewer centers were fully closed, and they were more likely to operate in a distance-learning-only format than their home-based peers.

For programs that were open in late 2020, nearly all agreed that they remained open to serve essential workers (97 percent) and because it was financially necessary to operate in order to survive (92 percent of centers and 98 percent of FCCs). Among those that closed, even temporarily, the motivations for doing so differed by program type. Among centers, more than one half (58 percent) closed because their program was part of a network that fully shut down, such as a school district or a center with multiple sites. Meanwhile, for FCC providers, health risks were a particularly salient reason for closing, with one half or more worrying about their students, their families, and themselves. **Figure 6** compares the reasons for program closures of family child care programs and center-based programs.

“I can’t work other than remotely due to concerns about my 92-year-old mother-in-law’s health, my husband’s health, and my own health, and there is no remote work available. Also, I am about to go from being furloughed to being permanently laid off, at which point I will lose my eligibility to continue working towards a (pitifully small) pension.”

– Center Teacher, a single multiethnic woman in her sixties in the Bay Area

FIGURE 6. REASONS FOR PROGRAM CLOSURES IN CALIFORNIA, 2020



Source: Center for the Study of Child Care Employment, University of California, Berkeley

FCC N = 398

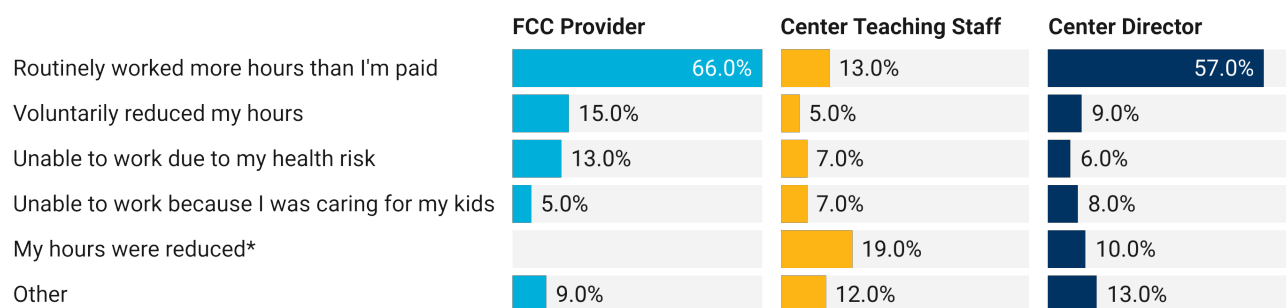
Center N = 261

Job challenges expanded during the pandemic.

Many educators experienced changes to their employment and pay during the course of 2020. The majority of center directors and FCC providers found themselves working more hours than they were being paid (57 percent and 66 percent, respectively), whether to take time for sanitizing against COVID-19 or to fill in for other staff members. **Figure 7** shows the job changes early educators experienced in 2020, by sample population.

In addition, one in ten center directors and teachers were furloughed statewide. However, this experience was not universal, but mediated by funding source. Only 3 percent of directors in programs with Head Start or Title V contracts reported a furlough, compared to 13 percent in centers without public funding.

FIGURE 7. PANDEMIC JOB CHANGES FOR CALIFORNIA EARLY EDUCATORS, 2020



Source: Center for the Study of Child Care Employment, University of California, Berkeley

* "My hours were reduced" was excluded from the family child care provider survey.

FCC Provider N = 1,555

Center Teaching N = 2,252

Center Director N = 1,503

Centers with publicly funded contracts, like Head Start or State Preschool/Title V, similarly fared better when it came to some of the financial impacts of COVID-19. For instance, the cost of cleaning supplies and general loss of income were less of a challenge: 60 percent of centers with a government contract felt the cost of cleaning supplies was a burden, compared to roughly 85 percent of other programs. Forty-five percent of public-contract centers cited lost income as an issue, compared to 85 percent of other centers.

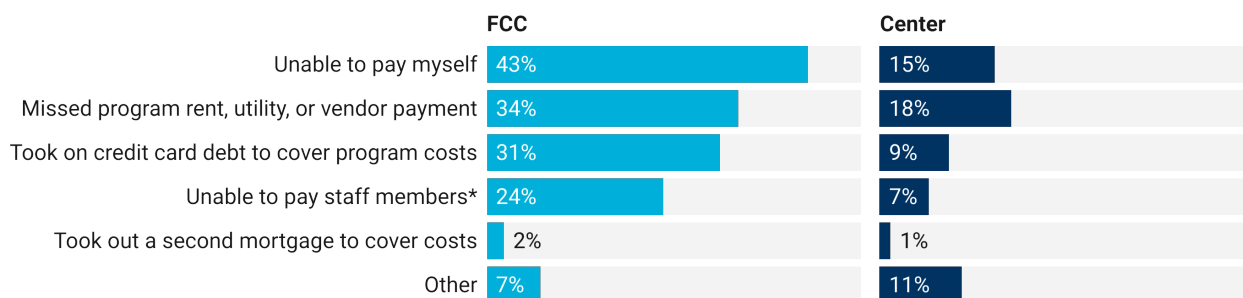
"Stress over how the next months will go is significant... My workplace has eliminated my specialist position and reduced my pay and wants me to work 45 hours a week as a classroom teacher."

– Center Teacher, a married White non-binary person in their fifties in the Bay Area

The ECE business model faced new disruptions.

In addition to navigating rocky personal finances, center directors and family child care providers encountered challenges with managing their businesses. Many FCC providers in particular took on personal credit card debt to get by (31 percent) or went without pay for some time during 2020 (43 percent). Among centers, some directors took personal losses (for these programs, directors are also program owners), with 15 percent going without pay at some point during 2020. **Figure 8** compares the business challenges that center-based programs and family child care programs faced.

FIGURE 8. BUSINESS IMPACTS OF PANDEMIC OPERATING CONDITIONS IN CALIFORNIA, 2020



Source: Center for the Study of Child Care Employment, University of California, Berkeley

* For FCC programs, this estimate reflects responses by providers with paid staff (either part or full time) both before and during the pandemic. Some providers do not hire paid staff members.

FCC N = 2,186

Center N = 1,512

As with other hardships, women of color in particular took a financial hit. When considering the list of challenges—such as going without compensation, missing a utility payment, or taking on a second mortgage to cover costs—Asian educators were the most impacted among center directors and administrators, with 53 percent encountering one or more business impacts, compared with 35 percent of directors overall. Asian directors were also the most likely of their peers to have been unable to pay themselves (29 percent, compared to 15 percent of directors overall). Meanwhile, among FCC providers, Black educators were most likely to be impacted: an astounding 78 percent experienced one or more business impacts due to COVID-19, compared to 69 percent of FCC providers statewide.

The group that suffered the fewest of these challenges worked in centers funded by Head Start or State Preschool. Policy action largely shielded them from dramatic income loss, such as the “hold harmless” policy for programs contracted with the state (paying programs based on certified need rather than attendance) (CDSS, 2021).

Specifically, 90 percent of center directors in contracted programs say they experienced none of the challenges in **Figure 8**, compared to 56 percent of other centers. Programs with public funding in the form of vouchers fared no better than those with no public funding at all.

“We are working to keep the business open because we have many staff who have been with us for decades and it is very difficult to find a team that works together... We would like to get out of this pandemic with all our staff intact, if all possible... We just hope that we are continuously able to increase the amount of work so we don’t have to lose any more of our staff who have been with us for many years.”

– Center Director, a married Asian woman in her forties in the Bay Area

ECE programs, many of which remained operational for most or all of the first year of the pandemic, struggled to get by without public aid. More than one third took advantage of state funds for personal protective equipment (PPE) and cleaning supplies in 2020. Apart from this support, however, centers and FCC programs differed in the types of aid they received. While more than one half of centers received PPP loans, only 15 percent of FCC programs received such a loan, perhaps reflecting early confusion among home-based educators about their eligibility and concerns about paying the loan back. **Table 1** shows the rates that center-based programs and family child care programs received financial assistance.

TABLE 1. PANDEMIC FINANCIAL ASSISTANCE TO CHILD CARE PROGRAMS IN CALIFORNIA, 2020

| | FCCs | Centers |
|--|-------|---------|
| Federal Paycheck Protection Program (PPP) | 14.6% | 55.0% |
| State funds for essential supplies (cleaning/health supplies or PPE) | 41.7% | 41.0% |
| Donations or private fundraising | 4.8% | 25.6% |
| State subsidies for children of essential workers | 11.7% | 13.1% |
| Federal Small Business Administration (SBA) loan | 17.4% | 12.5% |
| Pandemic Unemployment Assistance | 21.3% | 10.0% |
| Federal Employee Retention Credit under the CARES Act | 2.8% | 8.1% |
| Other | 6.8% | 9.1% |

Source: Center for the Study of Child Care Employment, University of California, Berkeley

FCC N = 2,231

Center N = 1,461

Meet a Family Child Care Provider: “I just want to work and recover my life little by little.”

This educator is a 51-year-old partnered Latina woman who was born outside the United States and lives in Southern California.

Please provide any additional information about your economic well-being that you would like to share but was not addressed in the previous questions.

“I just want to work and recover my life little by little... If there were support for us providers, even loans, so I could pay the mortgage and keep my house, that would be great... I could focus on my work because my family would also be taken care of. I hope things get better, and I can continue my business. I don’t want to have to close and look for another job because I really like working with children.”

How has COVID-19 affected your employment outlook for the near future?

“I am optimistic, and I believe everything will gradually recover. I think I’ll be able to keep working with my children, and the room will be full again. My assistants will be back to work, and the room will be filled with laughter and movement, like before. That’s my dream, that we’re not afraid, there’s no black cloud in our minds, and fear of moving forward doesn’t paralyze us.”

What do you want people to know about being a child care provider right now?

“That it’s not easy to be in this position. On one hand, I’m afraid for my family in case I infect them, and on the other, I don’t want to be negative and let fear paralyze me like it did a couple of months ago. In my heart, I know that everything is going to be fine. We still have these children, and I love what I do. It is so satisfying to see the children smiling when they arrive... I know that at least here I try to keep them happy, so they feel like they are living in a dream where we play, jump, sing, do puzzles, make art, laugh... I do my best so that every day they have extraordinary experiences. That is what I want [people] to know: that we providers, we love their children, and it hurts us as if they were our own.”

As of January 2, 2021, approximately 46 percent of all working Californians had applied for unemployment assistance (Bell, et al., 2021). ECE providers were somewhat less likely to apply. One in four center directors said they had applied at the time of the survey in late 2020, along with one in three center teachers. FCC providers were the most likely to apply (40 percent). While center teachers tended to apply for unemployment assistance at similar rates regardless of their race and ethnicity, Black and Latina FCC providers were less likely to do so, as were providers born outside of the United States. An estimated 28 percent of Latina providers and 38 percent of Black providers applied, compared with roughly one half of Asian, White, and multiethnic FCC providers.

Among center-based educators, those employed in a program funded by Head Start and/or State Preschool were far less likely to apply for unemployment assistance. Only 14 percent of center directors working in such a program applied, compared to nearly one third of those in programs with only voucher-based students or no public funding at all. Twenty-three percent of Head Start or State Preschool teachers applied for unemployment assistance, compared to nearly one half of other center-based educators.

Conclusion and Recommendations

This report sheds light on the harsh economic realities of life as an early educator during a global public health crisis. The hardships have been exacerbated by the pandemic, but notably, they existed well before the crisis began, dealing disproportionate damage to the women of color and immigrant women who make up much of the early care and education workforce. These findings underscore the critical need for radical reforms to ECE policy and financing that stabilize and support the well-being of California's early educators—reforms that are intentional in dismantling the stratification we find by race, ethnicity, region, and program characteristics. Reforms should also address the disparities between programs that currently contract with state or federal governments and those who do not have reliable public funding.

As our data from the 2020 California Early Care and Education Workforce Study show, educators are less likely to own their homes and more likely to experience food insecurity than average working Californians. They are more likely to go into debt in the event of a financial emergency, and they worry about making ends meet.

As their job stability and paychecks became unreliable during the COVID-19 pandemic, the ECE workforce experienced new lows in their economic well-being, and it may take them years to recover financially. Teaching staff in center-based programs wrestled with decreased hours and furloughs, and some family child care providers and center directors were unable to pay themselves. Financial assistance in the form of PPP loans and unemployment assistance helped alleviate these challenges for some.

Moreover, while the majority of early educators struggle with their economic well-being, there are unique challenges to operating a family child care program; during the pandemic, their business challenges are especially acute. Across both program types, however, stable public funding can make a difference: specifically, programs that contract with the state or federal government can weather shocks better than those that receive only vouchers or private tuition.

Recommendations

A stable, effective, and equitable early care and education system for California is one in which educators are valued, respected, and guaranteed fair compensation and economic dignity in their work. Thus, we urge California policymakers and leaders to undertake foundational reform that recognizes early care and education as a public good and prioritizes the well-being of the state's early education workforce. To this end, we offer the following recommendations:

Recommendation 1: Establish and fund the wage floor for early educators at the regionally assessed living wage and articulate minimum benefit standards (health insurance, paid leave, retirement).

- Compensation for center- and home-based educators should also account for job role, experience, and education levels, up to parity with similarly qualified TK and elementary school teachers.

Recommendation 2: Provide targeted funding and systemic changes to end disparities in the workforce that include those related to race and ethnicity, immigration status, and geography.

Recommendation 3: Fund direct, targeted support to family child care providers, who face unique financial hardships.

Recommendation 4: Prioritize stable contract-based funding arrangements for both centers and home-based providers.

- Contracts should guarantee a base funding amount—accounting for the number of publicly funded spots rather than using volatile enrollment levels—and compensate non-contact hours (i.e., paid preparation/planning time).

Recommendation 5: Fund and make publicly available longitudinal research on the early care and education system and workforce.

- California should include a plan to reach full participation in state workforce data systems for all members of the ECE workforce employed in school-, center- and home-based child care settings.

Recommendation 6: Ensure that all state policies are made in consultation with early educators.

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“The Forgotten Ones” — The Economic Well-being of Early Educators during COVID-19

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About CSCCE

Established in 1999, the Center for the Study of Child Care Employment (CSCCE) is focused on achieving comprehensive public investments that enable the early childhood workforce to deliver high-quality care and education for all children. To achieve this goal, CSCCE conducts research and policy analysis about the characteristics of those who care for and educate young children and examines policy solutions aimed at improving how our nation prepares, supports, and rewards these early educators to ensure young children's optimal development. CSCCE provides research and expert analysis on topics that include: compensation and economic insecurity among early educators; early childhood teacher preparation; access to educational opportunities and work environments; and early childhood workforce data sources and systems. CSCCE also works directly with policymakers and a range of national, state, and local organizations to assess policy proposals and provide technical assistance on implementing sound early care and education workforce policy.

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