

Brief: Mental Health and Staffing Crisis in Child Care

Summary

According to Hamilton County Schools, 89% of students who enter Kindergarten off track, remain off track and are reading below grade level by 3rd grade. To improve student outcomes and overall wellbeing, school systems across Tennessee are bolstering early literacy strategies. And while teachers in the public school system have seen pay increases in recent years, our community's early childhood teachers, who are partners in teaching foundational literacy, math, and social-emotional skills, are struggling. Low wages and no industry standard for benefits or paid time off, along with demanding conditions due to the pandemic, have led to high turnover, staff shortages, and mental burnout. For the early childhood system, there is no coordinating entity like the school system to recruit qualified talent or advocate for adequate resources.

As we emerge from the COVID pandemic, saving, strengthening, and sustaining our early childhood system will require greater collaboration and intentionality around equitable outcomes. We cannot fall back to the pre-pandemic siloed approaches to early childhood education, lest we risk the same outcomes—employers that continue to struggle to meet their labor demands, disenfranchised communities continually disconnected from real educational and economic opportunity, and an overall economy crippled by our lack of a thriving child care sector. Without swift intervention, local child care small businesses are at risk of closing and the fragile early childhood ecosystem could crumble.

Early Matters asks local leaders to partner with us to create a short-term task force to examine the issue and to discuss public-private strategies for local child care relief.

Wages and Benefits

Across the country, the pandemic made it clear that the child care sector is a **foundation of our economy**. Research has shown that [high-quality preschool](#) and early child care is beneficial for children, particularly those from [low-income families](#). It helps them prepare for kindergarten — academically, socially and behaviorally — and shrinks achievement gaps. For children living in poverty, it results in increased earnings and better health later in life.

On a per-capita basis, the United States spends roughly **six times less** on education for infants and toddlers than on K-12. Quality care for children under three is [labor intensive and expensive to provide](#). And the amount of money parents pay for care is not enough for businesses to provide high-quality care and pay child care providers a living wage.

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Teachers in child care classrooms are compensated less, and poor compensation coupled with difficult and demanding working conditions create high turnover and have led to a workforce shortage. Child care workers are grossly underpaid. **Many make just over fast food wages** and slightly less than what one could make working retail. Profits are low and tuition rates are high (as much as state college tuition for a single infant). For this reason and others, accessing the “public good” that is quality child care is still unrealistic to many families.

The biggest driver of early education cost in Chattanooga is staff costs; a 3-star center requires at least one adult with every 4 infants or toddlers at all times. Because many families with child care needs are financially vulnerable, they also cannot pay enough to support living wages for those staff. This creates significant downward pressure on staff salaries.
– *Institute of Child Success*

Early Childhood is the most important time of their life, and we are building a foundation and caring about their development. EC teachers are undervalued. We need to be valued, appreciated, and receive living wages.
– *2021 Hamilton County Child Care Focus Group Participant*

According to a 2019 report from the Institute for Child Success, the average child care teacher in the Chattanooga area earns just over \$21,000, or \$10.22 per hour, with no industry standard for paid-time-off. In contrast, an entry-level teacher in HCS earns \$40,000 per year and receives summers and two weeks of paid-time-off. HCS has worked hard to move their teachers closer to adequate and competitive compensation, and while there is still room for growth, the difference between the private child care teacher and the public preschool teacher’s salaries reflects much more than additional discretionary income. **The difference means foregoing basic needs, taking an additional job, receiving support from family or friends, or accepting public assistance.**

WAGE, BENEFIT, & EDUCATION COMPARISON					
	Child Care Teacher	Hamilton County Schools Teacher	Federal Unemployment	Retail	Fast Food
Annual Income Full-Time	\$21,000	\$40,000	\$28,000	\$26,000 - \$31,000	\$18,000
Benefits	No	Yes	No	Varies	Varies
Education Beyond High School Required?	Yes*	Yes	No	No	No

* All educators must have annual professional development hours and lead classroom teachers must also have child development associate credential (CDA).

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To retain quality ratings, all child care teachers must have credentials and continuing education. The current funding model does not provide sufficient resources to adequately compensate child care teachers with a higher education who have the [greatest impact on early brain development](#).

Federal and state unemployment insurance expansions during the COVID pandemic have created additional challenges for the child care industry as many private providers have struggled to compete with unemployment benefit rates that exceed the median salary for a child care professional in Chattanooga-Hamilton County.

Early childhood educators are teachers who play an equally vital role in developing children as their K-12 counterparts. Addressing pay parity between the two sectors is an important opportunity as we move forward to support workforce continuity of the child care sector and, by effect, our community overall.

From Seats to System

Providers can't enroll more children if they can't pay enough to attract and retain educators. There are waiting lists for infants and toddlers, but it's a challenge to add more seats for early education when we cannot adequately staff the classrooms we have."

– Tracy Bryant, Signal Centers

Prior to the pandemic, it was often difficult for child care providers to find qualified staff because of the meager pay, lack of benefits, and low prestige associated with the career path. In the last year, turnover rates have risen exponentially. Among just 4 of the 140 providers we spoke to in our community, **142 classroom teachers resigned** from March 2020 to March 2021. That equates to approximately 10% of the total child care workforce in Hamilton County.

Early Matters and the Office of Early Learning have implemented multiple long-term projects to increase the number of quality child care seats, such as the public-private Quality Matters Fund for capital improvement grants and an investment in high-quality curriculum shared across over 50 providers.

As we emerge from crisis and federal recovery funds continue to become available, the time for innovation and problem-solving to support this critical sector is now. Otherwise, child care centers, both large and small, risk closing and access to child care will decrease. Transformational early learning strategies must shift from a sole focus on increasing seats to **prioritize unilateral support for an effective, equitable, and sustainable childcare system** in Chattanooga-Hamilton County, starting with a universal increase to pay and benefits for child care workers.

The shortened child care hours have doubled the amount of wear and tear on my vehicle as well as put a significant strain on my career. Because of the newly shortened hours of 8am-5pm, my husband cannot help with transportation and my job is losing their patience with my now limited availability.
- Chattanooga Parent

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Mental Health Crisis

Due to historically inadequate supports along with the acute stress caused by the COVID pandemic, the child care industry is experiencing a mental health crisis. **Child care teachers are burnt out, overworked and underpaid**, and now grappling with two competing interests: the care and support of their students versus their own.

Directors and administrators are consistently required to fill in for sick kitchen workers and classroom teachers. The lack of additional staff means there is no way to provide teachers relief, and without breaks, they cannot take advantage of self-care services.

The mental and physical fatigue experienced from daily operation in survival mode has begun to adversely **impact the quality of care that teachers are able to extend the children and families being served.**

Agencies are simply trying to meet basic minimum standards and adult-child ratios at this point. The inability to provide the highest quality care or utilize best practices for optimal health and safety of staff and children is contributing to low-morale, decreased work satisfaction and high anxiety among staff members.

– Charlotte Hubert, Quality Coach, Southeast TN CCR&R

We are past the breaking point. Ten babies in the room each day, ages 5 months to 15 months, some with special needs, Two teachers in the room, during the morning shift a teacher is by herself with the majority of the children. It is stressful and we are unable to give the children the attention they need.

– 2021 Hamilton County Child Care Focus Group Participant

Local child care agencies, including some of our largest providers, report that despite offering competitive benefits packages, **staff are still leaving the industry due to the conditions brought on by the pandemic paired with low wages.** Talented child care professionals are leaving their posts for higher-paying, entry-level jobs at warehouses, manufacturing plants, and the like.

If left unaddressed, this mental health crisis will continue to inhibit our efforts to increase the quantity and quality of early learning seats available to local families, and will threaten the efficacy of our overall cradle-to-career education efforts in the long-term.

Implications from Research

Young brains develop best when stimulated by positive, reciprocal, face-to-face, verbal interactions with familiar and safe adults. And according to [multiple research studies](#), a high rate of **teacher turnover in child care classroom settings has an adverse impact on children's language, cognitive, and social development.**

The likelihood of receiving the needed stimulation is reduced when staff turnover is high, because turnover reduces the time students have to build trust and familiarity with caretakers. It is also more difficult for teachers to engage in positive and reciprocal interactions if they are struggling to meet their basic needs, which is often the case for child care teachers in the current market. Stabilizing the overall child care sector's staffing is critical to preventing further decline of early childhood outcomes in in Chattanooga-Hamilton County.



We cannot keep expecting early childhood educators, especially people of color, to sacrifice their well-being to provide this common good.

- Albert Wat, Alliance for Early Success

Looking Ahead

The increased federal unemployment benefit is set to end in Tennessee on July 3rd. While this could incentivize some qualified staff to return to work, they will still be returning to the systemic challenges that will make it difficult to retain them.

Thanks to the infusion of funds to the child care system from the Department of Human Services in the form of the essential worker child care certificates, child care providers have been receiving guaranteed income for the enrolled children of essential workers since April 2020. There is a fear that when this certificate ends in August 2021, families who cannot afford child care, will withdraw from their programs.

As members of the Early Matters coalition, an action team of Chattanooga 2.0, we commit, as well as encourage our leaders to commit, to working together to co-create a local solution for a universal increase to pay and benefits for child care workers across Chattanooga-Hamilton County.

APPENDIX B

Promising Practices from Other Communities

Below are some promising strategies in effect around the country. While not necessarily system disruptors, they are worthwhile to consider as potential local possibilities or conversation starters.

- Wage Subsidy Examples:
 - [C-WAGES](#) out of San Francisco (increasing the base salary vs giving stipends)
 - San Francisco (along with other states like Colorado) has [implemented stipends to offset low wages](#). It should be noted that not all places have implemented these equitably, with only select providers qualifying.
 - Public redistribution of wages [Pinecone example](#)
 - How? The percent of child care workers receiving government assistance would go down. Higher wages mean fewer child care workers living in poverty, which means that money that was previously spent on providing programs like SNAP can now be used towards wages instead.
 - Note: Wage subsidies are not the same thing as Earned Income Tax Credit. “A wage subsidy is paid on each paycheck, for every hour worked, whereas the EITC is paid after the fact on total income earned.” [Pinecone example](#)
- “Stipend and tax credit initiatives do provide important financial relief to educators who are struggling on poverty-level wages, but they do not improve the wages themselves and are not a long-term solution to the challenge of attracting and retaining qualified individuals to teach young children.” – [CSCCE Berkeley](#)
- [Shared Service Models](#) in which early childhood programs pool their resources and share back-office support, fundraising, benefits, etc. allow early childhood programs to have access to the HR, benefits, and other supports that there is typically no capacity for.
 - Chambliss Center for Children will begin a shared service pilot for back-office support starting in Fall 2021
- Promote the understanding of the cost associated with high-quality care in our community through a cost of quality study. The [Cost of Child Care](#) tool is a simple way to see how quality impacts cost of care.

APPENDIX C

Case Studies

CASE STUDY: How Multnomah County, OR passed [free prek for all 3 and 4 year olds](#)

In November 2020, Multnomah County, OR voted to provide free preK to all 3 and 4 year-old children in the county. Unlike most communities, the program is universal and will not be targeted to low-income students. All student participants will benefit from a mixed-income model classroom setting.

“The Multnomah County measure requires that lead teachers have a college degree or its equivalent, and that assistants have an associate degree in child development. But it gives current teachers time and money to earn the qualifications, and includes a plan to partner with local colleges to train new teachers. pay preschool teachers roughly the same as public kindergarten teachers — around \$74,000 a year for lead teachers, up from \$31,000.

“Public pre-K in places like New York and Washington, D.C., has ended up decreasing the supply of infant and toddler care programs. The Multnomah County measure aims to prevent that by paying providers to maintain those programs. The Multnomah County measure requires that lead teachers have a college degree or its equivalent, and that assistants have an associate degree in child development. But it gives current teachers time and money to earn the qualifications, and includes a plan to partner with local colleges to train new teachers.”

Eventually, individuals will pay a 2.3 percent tax on taxable income over \$125,000, and households will pay that tax on taxable income over \$200,000. The tax will increase to 3.8 percent on individual income over \$250,000 and household income over \$400,000.

CASE STUDY: [Colorado Sustainability Funds](#) for Child Care Providers

Colorado received \$119 million in early childhood funding from the second federal stimulus bill. Here's where it's going.

Sustainability grants for workforce support — \$35 million over one year

This round of sustainability grants will provide funding so child care providers can give employees hazard pay, cover benefits, or maintain employees' hours. This money will be available to providers regardless of whether they participate in the child care subsidy program. The state has not yet decided the maximum grant size, but providers who care for infants and toddlers or operate in child care deserts will be eligible for extra money.



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CIRCLE grants — \$16.8 million over one year

This new grant program will be available to child care providers, community nonprofits, early childhood councils, and other groups. The grants, set to go out starting in September, are intended for projects that aim to solve early childhood problems that have worsened during the pandemic, such as child care affordability, the lack of infant and toddler care, or barriers to child care access for children with special needs.

Workforce expansion — \$12 million over two years

This pot of money is intended to bring 2,700 new certified child care and preschool educators into the field. It will provide free community college courses to prospective child care workers and free online classes for educators interested in becoming child care directors. It can also be used for scholarships, loan forgiveness, and bonuses. In part, the impetus for this spending is the 2023 launch of free universal preschool for Colorado 4-year-olds, which state officials expect will require at least 600 new teachers.

Early childhood councils — \$8 million over two years

This money will be split among Colorado's 34 councils, which support providers in different regions of the state. The funding is meant to support licensed home-based child care providers, increase the supply of infant and toddler care, and help providers serve children with special needs. The money will also help councils to collect real-time data about the availability of child care locally.

Reducing parent copayments — \$7 million over two years

Starting July 1, this funding will reduce the parent fee charged to families participating in the state child care subsidy program. The parent fee will be limited to a maximum of 10% of a family's gross income. A portion of this money will also fund a communication effort to ensure families eligible for subsidies know about the program.

Early childhood mental health consultants — \$4 million over two years

This money will pay for the addition of mental health consultants who will work with child care providers and families to help children with challenging behavior or other issues related to mental health. The state already funds 49 early childhood mental health consultants across the state, but 15 of those are only temporarily funded with money from the first federal stimulus package. This latest infusion will allow the state to fund those 15 temporary positions for longer plus add three additional consultants.