



Friday, May 5, 2017

Chloe Learey: Child Care System Subsidized By Those Who Work In It

Investing in early childhood education is not limited to the underlying economic benefits that can be achieved. We must also look at immediate economic issues that cannot be ignored. The average cost of out-of-home care in the United States is \$9,589, just above the average cost of in-state college tuition. Of course, there is great variation by state, and the range is from \$5,721 in Arkansas to \$15,856 in the District of Columbia. According to New America, a D.C.-based think tank, the average cost of out-of-home early care in Vermont is in the \$9,400 to \$11,600 range. Paying for in-home care (i.e. a “nanny”) is even more expensive, running an average of \$28,353 per year.

It is important to keep in mind that this is the charge for care, but not the cost of high quality care. In December 2016, the Vermont Blue Ribbon Commission for High Quality, Affordable Childcare calculated the cost of high quality, “gold-standard” care for infants and toddlers (0 to 3 years) in a center-based setting to be about \$35,500. For 3- to 5-year-olds, because the child-to-teacher ratio is higher, the cost is \$15,800. Even if we scale back from gold-standard, there is a huge gap from the average amount high-quality centers are charging.

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Costs are kept down because we pay poverty-level wages. The median wage for early care and education providers in Vermont is \$11.25 per hour, or just over \$23,000 per year. In neighboring Massachusetts, 39 percent of the early care and education workforce receives public assistance. Clearly teachers are helping subsidize the quality care being provided. Simply raising tuition is unsustainable for families. Teachers cannot afford to work in the field, and families cannot afford to pay

tuition which takes up 15 to 65 percent of their income, depending on family status and where they live. As the difference between the charge for care and the cost of high quality cares widens, early childhood education providers experience a reduction in the income of their business.

Consequently providers’ ability to pay staff, buy supplies, or support quality improvements is diminished.

Undeniably, the economics of early care and education do not work for teachers or families in the current system.

Currently there are over 36,000 children birth to age 5 in Vermont: 6,023 infants, 12,224 toddlers, and 18,360 preschoolers. These children and families have access to approximately 1,500 licensed and registered programs (46 percent center-based, 54 percent home-based). There are many more children who could utilize early learning programs than there are spaces for them. Many parents have to make due with ad-hoc arrangements or choosing to remain out of the workforce because there is not adequate care available.

As Vermont focuses on professionalizing the early care and education field, the issue of low wages will create more challenges. Studies show that education levels of teachers have a positive impact on the quality of early education and care. Therefore, as we push for more high quality programs it makes sense to look for teachers with the appropriate qualifications. How do we attract these qualified candidates when we cannot pay them competitive, livable wages? In Vermont, a kindergarten teacher makes an average annual salary of \$52,330, more than double an early education provider. This is why we are and will continue to experience a shortage of teachers in early education.

There are already not enough slots in programs, and if this trend continues there will be even fewer early childhood options for working parents. This will continue to impact the ability of companies to attract a younger workforce.

We must acknowledge the tension that exists between the financial realities of the state and the needs of Vermont’s children and families. However, the state and families cannot solve this dilemma alone. It is essential for the business community to be actively engaged in developing a comprehensive system to address this growing issue.

Editor’s note: This commentary is by Chloe Learey, the executive director of [Winston Prouty Center for Child and Family Development](#) in Brattleboro. She served on the Blue Ribbon Commission on Financing High-Quality, Affordable Child Care.

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