

Bolstering the Child Care System with a Well-Compensated Workforce



The Promise

Well-compensated, well-supported educators perform the essential work of making high-quality universal child care a reality for New York’s children and families. They provide consistent, culturally responsive care and education to our youngest learners and to school-age children outside of school hours and during the summer.

The Challenge

It takes significant resources to provide safe, high-quality child care. Children thrive when they receive one-on-one attention from adults they know and trust, with consistent hours, and plenty of play and outdoor time. The lower the educator-child ratio, the more well-supported and compensated the teachers, the better the quality.

Educators are the heart and soul of child care—and also the number one cost of operating a child care program. Most parents cannot pay the true cost of providing high-quality child care. As a result, wages in the field have been kept artificially low because programs simply cannot charge the rate that is needed. As U.S. Treasury Secretary Janet Yellen has stated: “child care is a textbook example of a broken market.”¹

What We Know

New York families struggle to find child care programs that meet their child’s needs during the hours parents work or go to school

Due to historic expansions in child care assistance since July 2022, child care is financially within reach for the first time for many New York families (see *Lowering Barriers*). Yet, many families are unable to use the assistance because they cannot find a child care program that meets their needs with capacity to care for their child.

Licensed Child Care Capacity in New York State Still Has Not Recovered to Pre-Pandemic Levels Overall, and Has Declined Sharply in Family Child Care

	2019	2022	Change in capacity (number)	Change in capacity (percentage)
Center-Based Child Care	313,951	317,036	+ 3,085	+ 0.98%
Home-Based - Family Child Care	26,340	20,829	- 5,511	- 20.92%
Home-Based - Group Family	123,034	118,216	- 4,818	- 3.92%
Center-Based School-Age Child Care	327,578	332,663	+ 5,085	+ 1.55%
Total	790,903	788,744	- 2,159	-0.27%

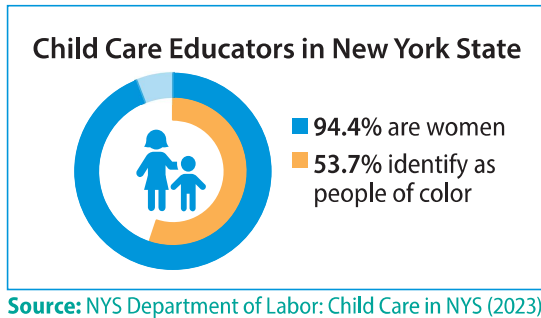
Source: NYS Office of Children and Family Services 2019 and 2022 Child Care Facts and Figures.

New York was facing a severe capacity shortage prior to the pandemic, and recent data demonstrate that these shortages persist across the state. In rural communities it is not uncommon to have one licensed child care spot for every 7 or 8 children under age six.² Licensed child care capacity has still not fully recovered to its pre-pandemic levels, with home-based care capacity declining dramatically. Home-based care serves a disproportionately high percentage of families receiving child care assistance³ and is far more likely to serve families needing care during the early mornings, nights and weekends.⁴

Legally exempt care plays an important role in the child care sector in New York State by providing payment to family, friend, and neighbor caregivers. They are subject to less stringent rules because they provide care for a limited number of children over a limited number of hours, generally to children who are relatives or family friends. In 2022, these providers cared for 27% of New York children receiving child care assistance.⁵ Often, they provide care during crucial weekend, evening, and overnight hours.

Low wages paid child care educators contribute to New York's child care shortage

Child care educators earn less than 96% of occupations in New York State.⁶ Previous child care stabilization grants designed to shore up staffing were insufficient to meaningfully do so. A March 2023 survey of child care providers found that staffing shortages greatly diminished programs' ability to operate at full licensed capacity, with 28,462 licensed or registered slots empty statewide from 1,600 respondents due to insufficient staffing from uncompetitive wages. Beyond closed classrooms and reduced capacity, this resulted in short-notice closures and reduced hours—imposing further hardships on working families in need of consistent care.⁷



The average wage for a child care worker in New York
\$35,190/annual / \$16.92/hour in May 2022.⁸



Family child care educators earned less than minimum wage, approximately
\$10.49 / hour in 2021.⁹

Children benefit when child care workers earn a thriving wage

Children benefit from consistent, high-quality interactions with well-prepared, well-supported educators.¹⁰ The largest-ever national study of child care educator mental health found that 46% of child care educators demonstrated symptoms of depression, while 67% reported experiencing moderate to high stress during the pandemic.¹¹ When low pay inevitably leads to high turnover, young children experience anxiety and stress because they cannot bond with their caregivers.¹² Their learning suffers because new staff do not have the level of professional development necessary to provide high-quality interactions. Furthermore, when educators experience depression they are more likely to struggle with behavior management and maintaining quality early learning environments.¹³

Policy Solutions

- ▶ Create a robustly resourced, *permanent* state child care fund that is sufficient to increase compensation for all child care workers who work in licensed and regulated programs at parity with similar positions in the public school system.
- ▶ Increase rates for legally-exempt child care providers to 75% of the family child care rate and to 85% for providers who are eligible for the enhanced rate.
- ▶ Commit New York State to using a cost estimation model to determine state child care reimbursement rates by 2025 with meaningful input from child care providers and parents.
- ▶ Establish a health insurance premium support program for child care workers.

¹ United States Department of the Treasury. (2021). *Remarks by Secretary of the Treasury Janet L. Yellen on Shortages in the Child Care System*.

² New York State Department of Labor Division of Research & Statistics. (2023). *Child Care In New York State*.

³ Melodia, L. (2023). *High Calling, Low Wages. Home-Based Early Care and Education Providers in New York City*. Center for NYC Affairs.

⁴ National Women's Law Center. (2018). *Family, Friends, And Neighbor Care: Facts and Figures*.

⁵ New York State Office of Children and Family Services. (2023). *Child Care Facts and Figures 2022*.

⁶ Schuyler Center computations based on NYS Department of Labor OEWS Employment and Wage Data (updated to the first quarter of 2023).

⁷ Schuyler Center and Empire State Campaign for Child Care. (2023). *Staffing Shortages Due to Low Wages Are Driving the Child Care Crisis in New York*.

⁸ United States Bureau of Labor Statistics. (2023). *Occupational Employment and Wages, 2022*.

⁹ Melodia, L. (2023). *High Calling, Low Wages. Home-Based Early Care and Education Providers in New York City*. Center for NYC Affairs.

¹⁰ Grunewald, R., Stepick, L. (2022). *What drives the cost of high-quality early care and education?*. Federal Reserve Bank of Minneapolis.

¹¹ Elharake J.A., Shafiq M., Cobanoglu A., Malik A.A., Klotz M., Humphries J.E., et al. (2022). *Prevalence of Chronic Diseases, Depression, and Stress Among US Childcare Professionals During the COVID-19 Pandemic*. Centers for Disease Control and Prevention.

¹² McMullen, M.B. (2018). *The Many Benefits of Continuity of Care for Infants, Toddlers, Families, and Caregiving Staff*. National Association for the Education of Young Children.

¹³ Kwon, K., Jeon, S., Jeon, L., & Castle, S. (2019). *The role of teachers' depressive symptoms in classroom quality and child developmental outcomes in Early Head Start programs*.

* For all sources and computations, go to <https://bit.ly/NYSchildren>