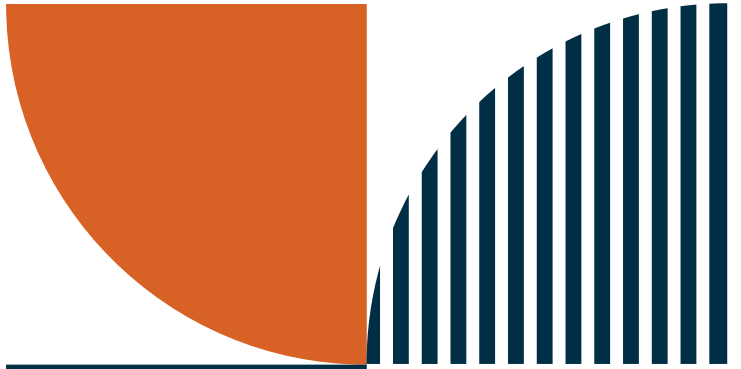


Balancing THE Scales



A Proposal for a Systemwide Wage Scale to Address
Michigan's Early Childhood Education Crisis | 2023

Alex Andrews | Author

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Balancing THE Scales

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Michigan's Early Childhood Education Crisis

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In response to Michigan's need for new, equitable business and financing models for early childhood providers, the Early Childhood Investment Corporation in 2021 established the Child Care Innovation Fund. One of the important initiatives of the ECIC's Child Care Innovation Fund was to convene a *Task Force for Equitable Educator Compensation*, which has guided and informed the development of this study and proposed wage scale, as well as the selection and implementation of two wage scale pilot sites.

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Harriet Dichter | Consultant

Susan Hibbard | the BUILD Initiative

And to the Corporation for a Skilled Workforce, which laid the groundwork for this project through its previous work on a Detroit wage scale. CSW's research provided the foundation for this project's proposed wage scales.

Addressing Inadequate Early Childhood Educator Pay in Region 3b



Despite their importance to children, families and the economy, most early child care and education (ECE) workers in Region 3b are not paid enough to meet their basic needs. These low wages fail to reflect the skills, complexity and credentials required to teach young children.

Nor do they reflect the vital role of early childhood educators. The day-to-day services they provide for infants and toddlers (ages 0-5) support the development of healthy brain architecture, the foundation upon which all future learning and development are built.

What's more, child care is an important driver of economic success. The availability of high-quality, affordable child care allows workers with caregiving responsibilities to participate more fully in the workforce. In turn, families earn more income, and the state budget becomes more efficient — increasing tax revenues and reducing the cost of social safety net programs. For children, access to high-quality early education is associated with better quality of life, including academic success, lower rates of criminal justice involvement, better overall health,¹ and, later in life, increased labor force participation.²

¹ "Long-term Effects of Early Childhood Education: Beyond Academics," Georgia Family Connection Partnership, Dec. 16, 2021

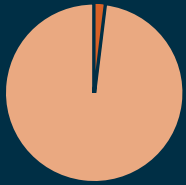
² "Economic Effects from Preschool and Childcare Programs," Penn Wharton University of Pennsylvania, Aug. 23, 2021

77%

of Region 3b's ECE workforce earns less than \$15/hour

45%

of early childhood educators earn below the self-sufficiency standard for an individual without children



Just 1% of early childhood educators earn enough to support the average family size in the region (one adult, one preschooler, one school-aged child)

PAY THAT DOESN'T MEET BASIC NEEDS

Our analysis finds that 77% of Region 3b's early care and education (ECE) workforce earns less than \$15 per hour. As a result, too many ECE workers must rely on public assistance programs to meet their basic needs. Many roles earn hourly wages comparable to median pay for jobs with very little education requirements, such as crossing guards and fast-food workers. In fact, 45% of early educators earn below the self-sufficiency standard for an individual without children, while just 1% earn enough to support the average family size in Region 3b (one adult, one preschooler, one school-aged child).

The comparatively low pay for these critical roles is not a problem exclusive to Region 3b but the impact here has been dramatic: **The region's ECE workforce shrank by 33.4% from 2001 to 2022, representing 239 fewer early educators across the region. This stands in stark contrast to the modest growth (0.3%) seen nationwide.**

ECE worker shortages are reducing availability and increasing costs, driving more parents to opt out of the workforce, as was the case for over 600,000 Michigan parents in 2021.

Investing in and reforming ECE compensation to move closer to a living wage is an important step toward reversing these shortcomings. This also provides a means to address racial and gender-based wealth disparities, given that women comprise over 91% of Michigan's ECE workforce, many of whom are women of color. For these reasons, the Michigan Department of Education has identified compensation as the most important factor of early childhood employment. The Early Childhood Investment Corporation and TalentFirst share in this priority.

Region 3b

This report analyzes existing ECE pay in Region 3b and proposes a systemwide wage scale that provides transparent and equitable wage lattices to bring ECE compensation closer to parity with comparable K-12 roles. The objective is to ensure an adequate supply of professional early childhood educators to meet the needs of Michigan's children, their parents, and our economy — while reducing the share of early educators who are reliant on public benefits.

Key Findings



77%

of Region 3b's early care and education (ECE) workforce earns less than \$15 per hour, despite a majority possessing education beyond high school. These roles are significantly underpaid given their education and experience requirements.

\$15.08

The current median hourly wage of Lead Teachers (\$15.08) ranks in the 46th percentile of all occupations in Region 3b, the same ranking as Customer Service Representatives, Coaches, and Tutors — all of which require only a high school diploma.

45%

of early educators earn below the self-sufficiency standard for an individual without children; just 1% earn enough to support the average family size in Region 3b (one adult, one preschooler, one school-aged child).

Despite a 97% overlap in required competencies, qualifications, and work activities, Kindergarten Teachers earn \$10.67 more per hour than Lead Teachers and have access to a host of benefits not available in the ECE environment.

Inadequate pay contributes to child care shortages that are harming the state's ability to compete. One estimate places the cost at \$2.88 billion in economic activity statewide per year.

Region 3b

Region 3b (the northeast Lower Peninsula counties of Alcona, Arenac, Iosco and Ogemaw) is the only region in Michigan where all ECE median wages were above the threshold to be considered low wage, ranging from the 46th percentile to the 37th percentile. Although ECE wages in this region fare the best in relation to all 797 occupations the region employs, they still average \$13.32.

Due to the system's cumbersome regulatory requirements and parents' role as primary customer, market forces have proved incapable of addressing Michigan's child care crisis. Michigan's child care system requires additional state and federal investment to place early educator compensation on par with comparable roles in the public K-12 system.

When accounting for inflation, most roles in early care and education have actually seen significant declines in their wages since 2005, a period when pay for other occupations has risen.

The High Cost of Low Pay: A Shrinking Workforce



33.4%

Region 3b's ECE workforce has decreased by 33.4% from 2001 to 2022, representing

239

fewer early educators across Region 3b

While Michigan has made significant investments in child care in recent years – including the expansion of eligibility for subsidy support – many families, businesses, and providers are still left behind by the current funding system. A two-decade decline in the child care workforce has contributed to a loss of openings estimated to range from 950 to 2,900, depending on the age of the child.

Statewide, a recent study³ by the U.S. Chamber of Commerce Foundation calculated that these shortages result in a loss of \$2.88 billion in economic activity per year.

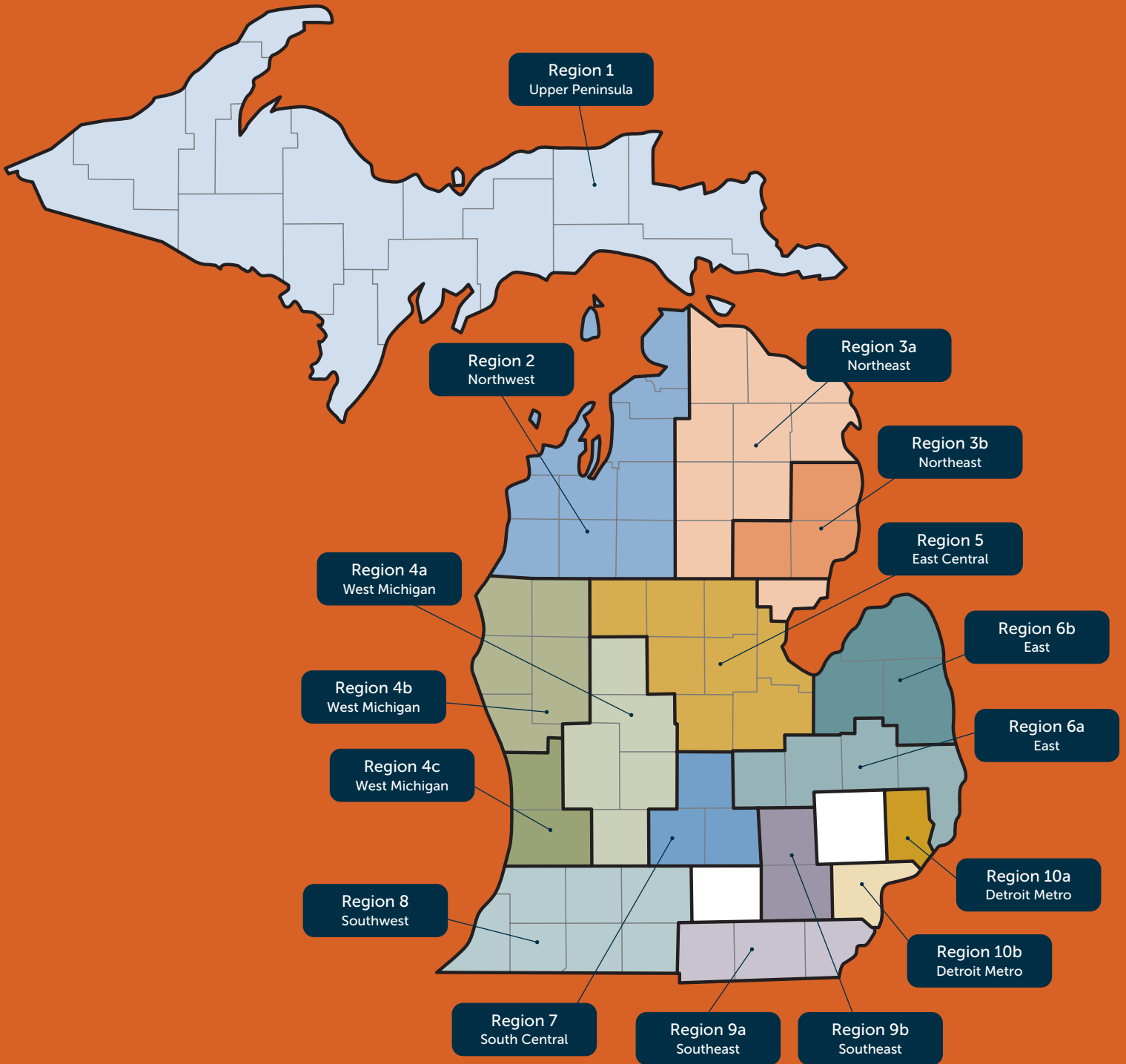


Child care shortages that force parents to leave the workforce are calculated to result in a loss of \$2.88 billion in economic activity statewide per year.

³ "Untapped Potential: How Childcare Impacts Michigan's Workforce and Economy," U.S. Chamber of Commerce Foundation, 2023, <https://drive.google.com/file/d/1qBTojrYNzzwENRpzzm-PcEPsfCkebtHy/view>

A Regional Examination of ECE Wages

This report leverages public data sources to assess wages, employment trends, and other relevant characteristics of critical early childhood teaching roles for 16 regions⁴ across Michigan.



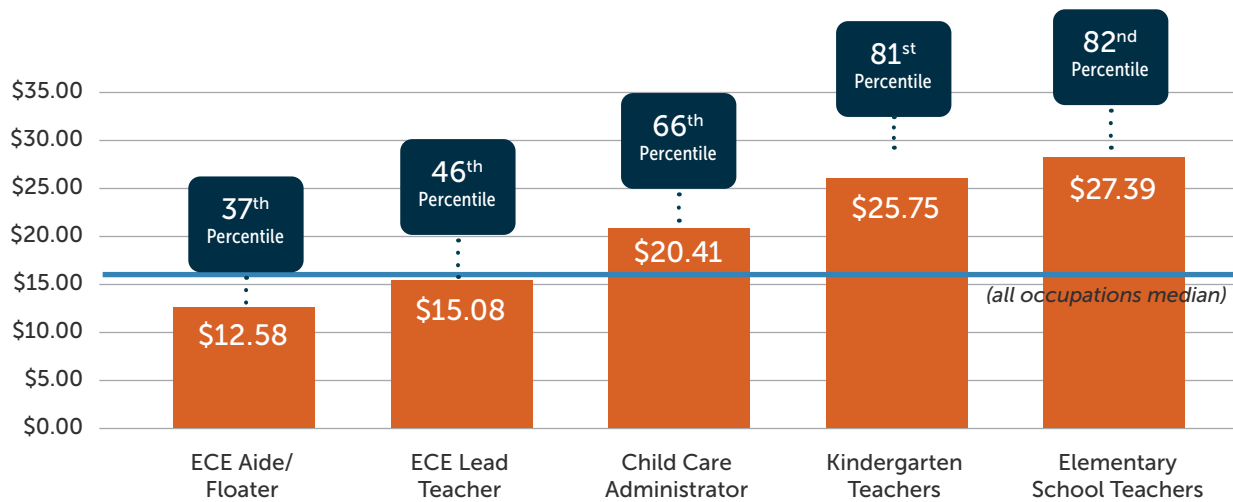
⁴ Regions are grouped by ECIC grantee organizations and the counties they cover. Note that Regions 3A and 3B have three counties (Alcona, Iosco, and Ogemaw) in common, while Regions 3b and 5 have one county (Arenac) in common. Two counties (Jackson and Oakland) are not represented.

Early Childhood Educator Pay Ranks Low

ECE wages in Region 3b remain substandard in comparison to similar K-12 teaching roles, which themselves are underpaid when compared to jobs requiring similar qualifications and skills. The whole ECE workforce, from the lowest-earning role (Aide/Floater) to the highest-earning (Lead Teacher), fits comfortably in the bottom half of Region 3b's occupational wage distribution.

The current median hourly wage of Child Care Aides ranks in the 37th percentile of all occupations in the region, while the highest paid ECE teaching occupation, Lead Teachers, ranks in the 46th percentile. In comparison, Kindergarten Teachers rank in the 81st percentile.

Selected Occupations Ranked by Median Hourly Wage, Region 3b, 2022

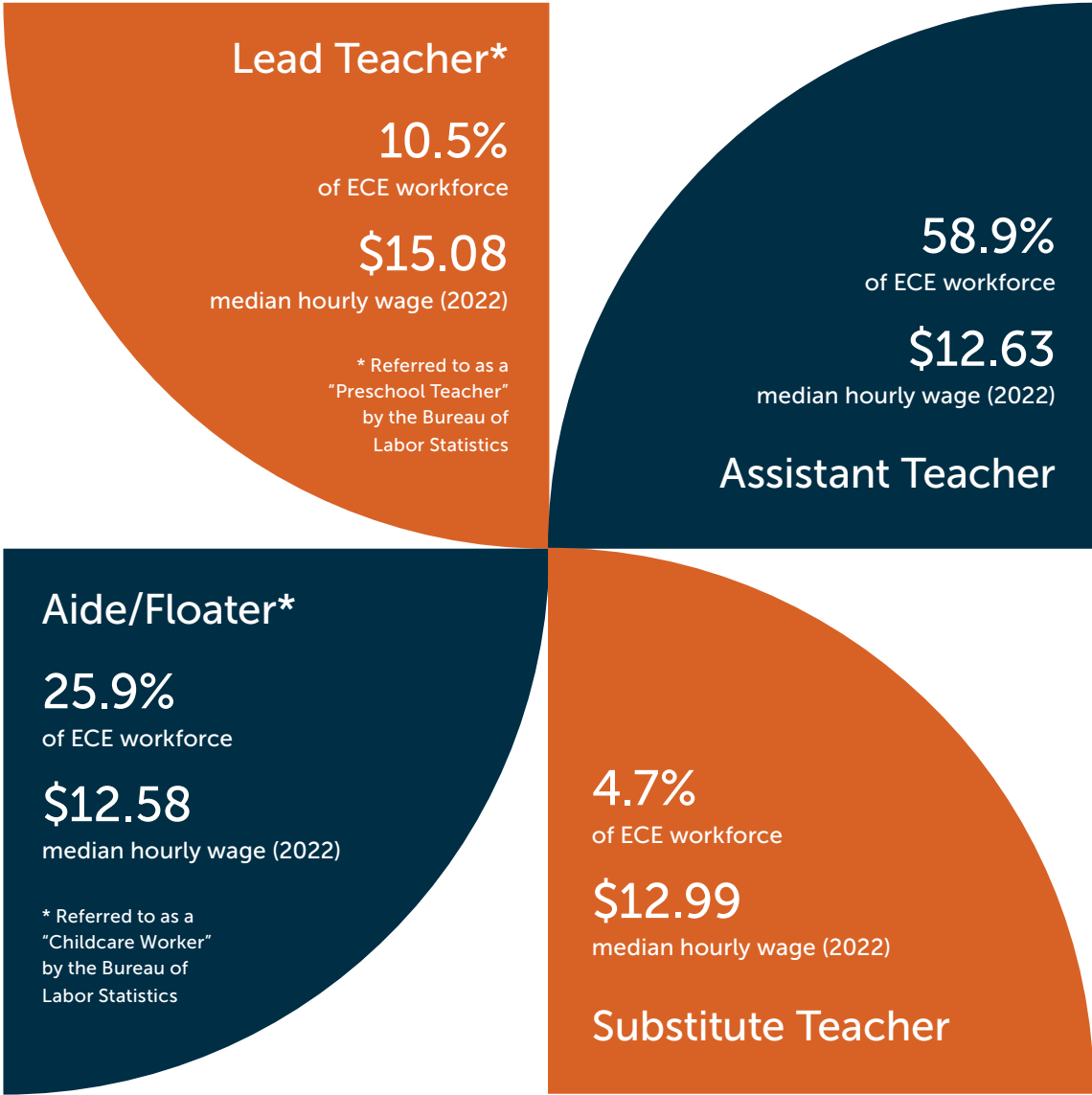


Source: Occupational Employment and Wage Statistics; All teacher estimates exclude special education teachers. Hourly wages for preschool teachers, kindergarten teachers, and elementary school teachers account for standard school schedules. All other occupations assume 40 hours per week, 12 months per year.

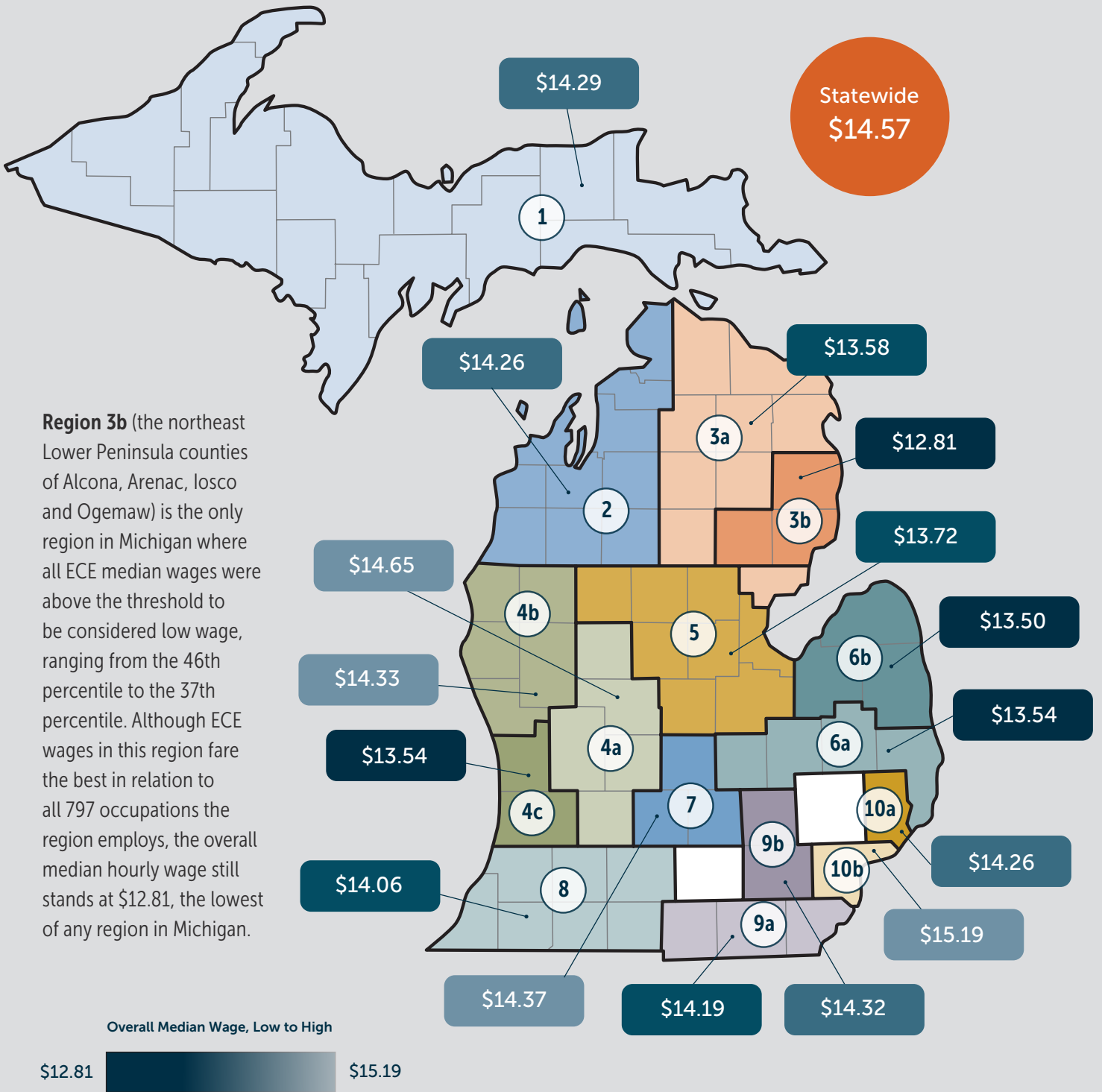
The wages detailed above do not factor in benefits, which widens existing inequalities. Most early childhood educators cannot access the same benefits as those offered through public K-12 settings – which can include retention, merit, and longevity bonuses, retirement plans, paid time off, and paid planning time.

Breaking Down Pay by Role in Region 3b

The early childhood classroom-based workforce can be segmented into four distinct categories: Lead Teachers, Assistant Teachers, Center Aides, and Substitute Teachers. Job titles vary across settings (school-based, center-based, family or group child care home) and organizations, but responsibilities and compensation remain largely the same.



Overall Median Hourly Wage of All Early Childhood Education Classroom Occupations, Statewide and by Region, Michigan, 2022





Solution: A Unifying Framework for Early Educator Wages in Region 3b



As defined by the Center for the Study of Child Care Employment at UC Berkeley, a wage scale is “a scale with clearly differentiated salary increments based on qualifications and years of experience, which provides guidance for salary increases over time.” Michigan’s ECE classroom workforce needs a unifying wage scale to provide transparent and equitable wage lattices across settings, making ECE a lucrative career where wages are commensurate with the education and skills required of these roles.

These proposed wage scales would likely need to follow the example of other states, which have taken an incremental approach, in recognition that immediate increases were not possible.

The framework for this wage scale, which benchmarks ECE wages against comparable K-12 roles, builds on existing models developed by the Corporation for a Skilled Workforce, in partnership with Hope Starts Here and TalentFirst. The scale provides guidance on what ECE professionals should be paid based on their geography, role, qualifications, and years of experience — regardless of setting — and provides guidance for wage and scaling increases over time. This is accomplished by setting the Lead Teacher wage on par with the starting salary of a K-12 teacher in Region 3b (adjusted for the standard school schedule), which serves as the base wage for the systemwide wage scale.

The proposed base wage for an Assistant Teacher and Substitute stands 25% below the base wage of a Lead Teacher, while the base wage for an Aide/Floater is 50% less than a Lead Teacher. This scaling reflects the accumulation of responsibility, knowledge, and experience that occurs along the ECE career pathway from Aide to Lead Teacher.

The systemwide wage scale is agnostic to setting (school-based, center-based, family or group child care home). Thus, wages are based on the specific role, professional level/education, and experience an individual has – irrespective of the setting in which they are employed.



2.5%



Early educators should receive a 2.5 % increase to their base wage each year of employment

The base wages shown on the next page increase by 10% for each professional/educational level an individual has obtained above a Child Development Associate (CDA) credential.

This method encourages progression, which is strongly linked to quality, and helps account for the fact that licensing requirements vary across settings for these ECE roles.

ECE professionals supervising infant- and toddler-aged children would receive a 10% increase from the base wage associated with that role supervising preschool-aged children. This wage bump reflects the intense level of supervision required for infants and toddlers compared to preschoolers, a presumption reinforced by the provider-to-child ratios set by the state – which become less restrictive as children age.

To account for longevity and keep pace with inflation, early educators should receive a 2.5% increase to their base wage for each year of employment. This reflects the average step increase offered to K-12 educators and is equal to the average rate of inflation expected in the state over the next 10 years – ensuring wages rise with the cost of living. It should be noted that step increases vary significantly across school districts, from as high as 5% to as low as 1%.

Base Wages for Early Childhood Educators of Infants and Toddlers

| Instructional Roles | Current Median Wage | | Proposed Base Wage | Explanation for Proposed Base Wage* |
|-----------------------------------|---------------------|------------------------------------|--------------------|---|
| | Hourly | Annual Pay ⁵ (52 weeks) | | |
| Lead Teacher, Infant-Toddler | \$15.08 | \$31,366 | \$27.56 | Median Hourly rate for Step 1 K-12 Teacher (\$42,090 a year) + 10% |
| Assistant Teacher, Infant-Toddler | \$12.63 | \$26,270 | \$20.67 | 25% less than Lead Teacher |
| Aide/floater, Infant-Toddler | \$12.58 | \$26,166 | \$15.50 | 25% less than Assistant Teacher |
| Substitute, Infant-Toddler | \$12.99 | \$27,019 | \$20.67 | Parity with Assistant Teacher, with similar responsibilities (10% increase for long-term assignments) |

* Note: All Infant/Toddler instructional roles are 10% more than Preschool roles.

Base Wages for Early Childhood Educators of Preschool-aged Children

| Instructional Roles | Current Median Wage | | Proposed Base Wage | Explanation for Proposed Base Wage* |
|------------------------------|---------------------|------------------------------------|--------------------|---|
| | Hourly | Annual Pay ⁵ (52 weeks) | | |
| Lead Teacher, Preschool | \$15.08 | \$31,366 | \$25.05 | Median Hourly rate for Step 1 K-12 Teacher (\$42,090 a year) |
| Assistant Teacher, Preschool | \$12.63 | \$26,270 | \$18.79 | 25% less than Lead Teacher |
| Aide/floater, Preschool | \$12.58 | \$26,166 | \$14.09 | 25% less than Assistant Teacher |
| Substitute, Preschool | \$12.99 | \$27,019 | \$18.79 | Parity with Assistant Teacher, with similar responsibilities (10% increase for long-term assignments) |

* Note: All Infant/Toddler instructional roles are 10% more than Preschool roles

While this approach sets ECE wages on par with educators in the public K-12 system, it's important to note that early educators will still lack parity with K-12 teachers, as the majority of early educators have limited or no access to benefits. Thus, total compensation in a K-12 setting will still significantly outpace ECE even if the wages paid to educators are identical, because the K-12 system has the resources to offer educators more generous benefit packages.

⁵ Note: Early educators are not typically salaried but paid hourly, and hours worked can vary drastically from the standard full-time schedule. Annual salaries are included here to provide an estimate as to what each instructional role might earn over the course of a year to provide a comparison against similar salaried roles.

Individual Roles:

Lead Teachers

Lead Teachers in Region 3b – across settings, not only those in publicly funded pre-K, where earnings are higher – earned the highest median wage of any ECE occupation, at \$15.08 in 2022. Even so, this ranks only in the 46th percentile of all occupations in the region, meaning 54% of occupations in the region earn a higher median wage. Other occupations with median wages that fell in the 46th percentile in the region include Customer Service Representatives, Coaches, and Tutors – all of which require only a high school diploma. By comparison, most ECE settings require Lead Teachers to have at least a child development associate (CDA) credential, while 35% of the workforce has a Bachelor’s degree.

\$15.08

Lead Teachers earned the second-highest median wage of any ECE occupation in the region, \$15.08 per hour in 2022



54%

of all occupations in the region earn a higher median wage, placing Lead Teachers in the 46th percentile

56%

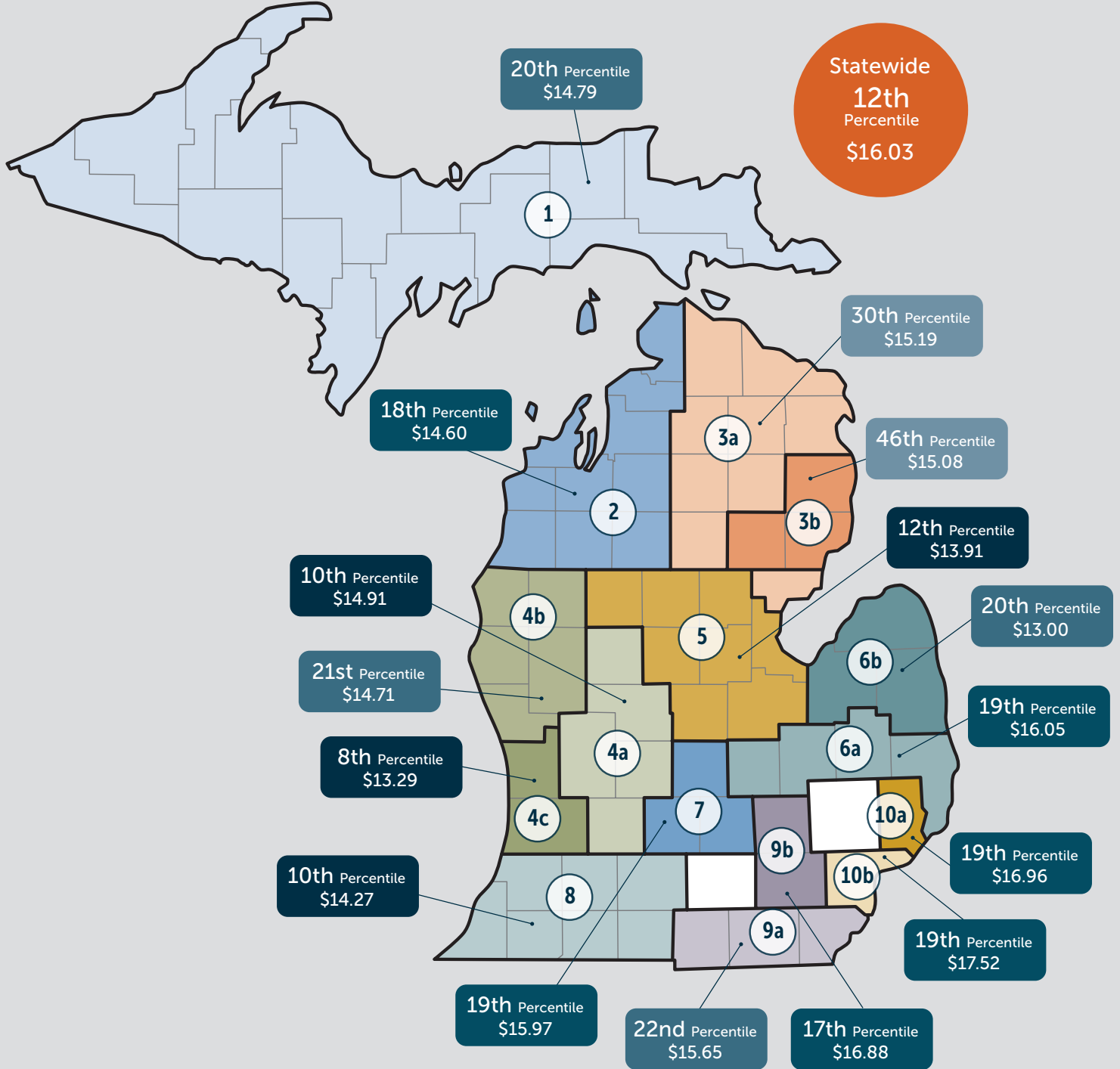
of Lead Teachers in dual-income households must rely on some form of public assistance

Overview of Employment and Wages for Lead Teachers

| Employment (2022) | Employment Trend | | Current Median Earnings | Proposed Base Wage | |
|-------------------|--|---|-------------------------|--------------------|----------------|
| | Past Growth (2001-2022) | Projected Growth (2022-2032) | | Preschool | Infant-Toddler |
| 42 |  (-44.0%) |  (71.3%) | \$15.08 Hourly, 2022 | \$25.05 | \$27.56 |

Although the median wage of Lead Teachers is the highest in the ECE workforce, it’s just over half of the living wage of \$25.25 required to sustain the average family size in Region 3b (one adult, one preschooler, one school-aged child) in 2022. As such, **approximately 56% of Lead Teachers in the region are not capable of being financially self-sufficient in dual-income households and must rely on some form of public assistance. That share rises to 94% for Lead Teachers in single-income households.**

Percentile Ranking of Lead Teacher Median Wage Compared to All 797 Occupations in Region, 2022



Percentile Ranking, Low to High



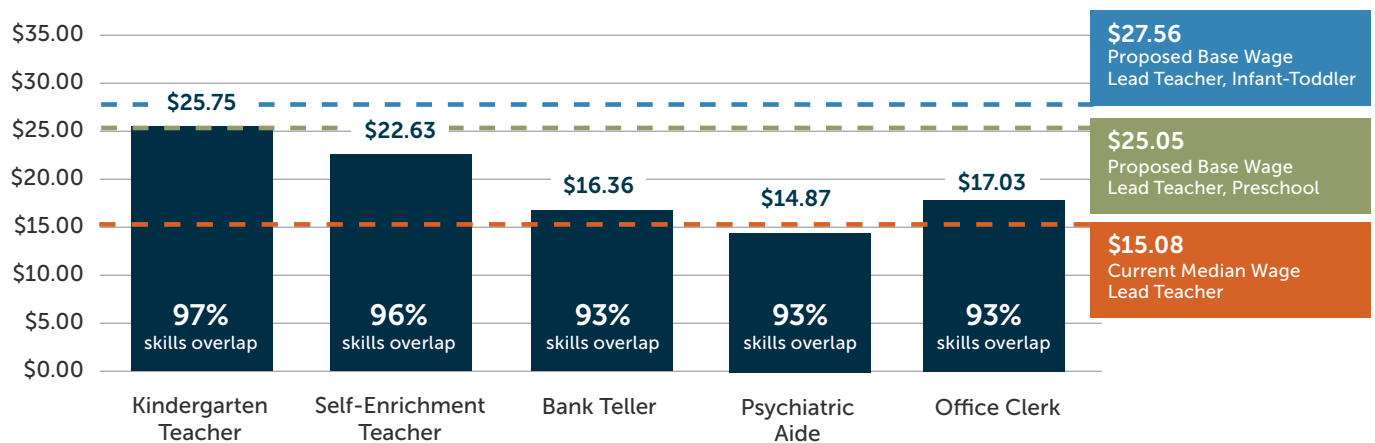
Lead Teacher Wages Fall Significantly Below Comparable Roles

When it comes to roles that require similar competencies and skills as ECE Lead Teachers, Kindergarten Teachers are at the top of the list. Most Lead Teachers could transition into this role without much upskilling or reskilling because they require 97% of the same competencies, have similar work environments, and have similar educational qualifications as Lead Teachers in school-based settings. Despite this near perfect match – and the fact that infants and toddlers require more intense supervision than 5-year-olds – the current median wage of Kindergarten Teachers stands 71% higher than Lead Teachers in Region 3b, even without accounting for benefits.



Self-Enrichment Teachers provide instruction to students in subjects that aren't academic or vocational, but tend to be more recreational – including art, dance, yoga, and various sports. These roles require 96% of the same skills as Lead Teachers and earn \$7.55 more per hour at the median. One notable difference, aside from the age range of the students receiving instruction, is that Self-Enrichment Teachers don't require education beyond high school – making any Lead Teacher qualified to transition into this job.

**Median Wage of Most Similar Roles and Share of Overlapping Skills
Lead Teacher, Region 3b, 2022**



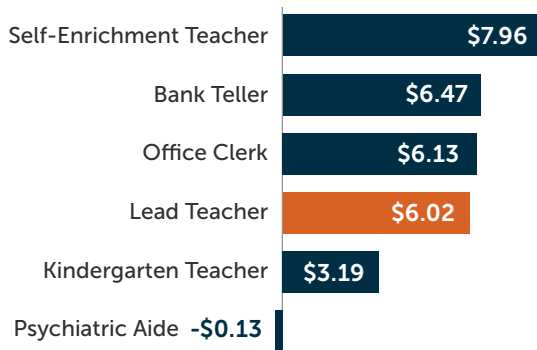
Office Clerks earn a median wage **\$1.95 higher** than Lead Teachers in Region 3b.

Aside from Kindergarten Teachers, none of the top occupations that are most comparable to Lead Teachers require any education beyond high school, and most are associated with higher earning potential.

Office Clerks, for example, undergo short on-the-job training to perform administrative and organizational tasks around an office, like filing records, typing reports, and updating calendars. These activities are not dissimilar to the administrative tasks performed by a Lead Teacher, who have additional responsibilities, including being entrusted with developmental education of young children. And yet, Office Clerks earn a median wage \$1.95 higher than Lead Teachers in Region 3b.

Current wage gaps between Lead Teachers and similar roles in Region 3b range from -\$0.21 to \$10.67. However, there is evidence to suggest these disparities will continue to widen without significant intervention. Since 2005, the earliest accessible wage record, Lead Teacher wages have risen by \$6.02. That's \$0.42 less than the next-slowest-growing role, Bank Tellers, and \$1.93 below the fastest-growing role, Self-Enrichment Teachers.

**Median Wage Growth, Region 3b
2005-2022**



Given that \$1 in 2005 has the same purchasing power as \$1.57 in 2022, the real rate of growth for Lead Teacher wages stands at 17% – meaning Lead Teachers earned about \$1.50 more per hour in 2022 than they did in 2005 after accounting for inflation. In comparison, Bank Tellers saw a 16% growth in their purchasing power, which equates to about \$1.54 more per hour.

Proposed Wage Scaling of Lead Teachers in Region 3b

Wages shown on the opposite page reflect the entry-level, base hourly wage for a Lead Teacher of preschool-aged children with the given educational qualification in Region 3b. The base wage should increase by 2.5% for every year of employment. Thus, a Lead Teacher of preschool-aged children with an associate degree and six years of experience should earn a wage of \$31.96.

ECE Teaching Occupations

The ECE framework is founded on the work of the national Power to the Profession Task Force, which in 2019 adopted a unifying framework of ECE I, II, and III, reflecting standards and competencies for the early childhood education profession:

ECE I – Certificate/Apprenticeship

- F1: High School Diploma/GED
- F2: High School Diploma/GED + 60 hrs of training
- F3: High School Diploma/GED + 90 hrs of training + 6 semesters
- P1: CDA + 12 semesters
- P1.5: CDA + Apprenticeship Certificate

ECE 2 – Associate Degree/Apprenticeship

- P2: Associate degree in ECE/related field
- P2.5: Associate degree + Apprenticeship Certificate

ECE 3 – Bachelor’s Degree and Above

- P3: Bachelor’s degree in ECE or related field + 30 credit hours in ECE
- P4: Master’s degree in ECE or related field
- P5: Ph.D. or Ed.D. in ECE or related field

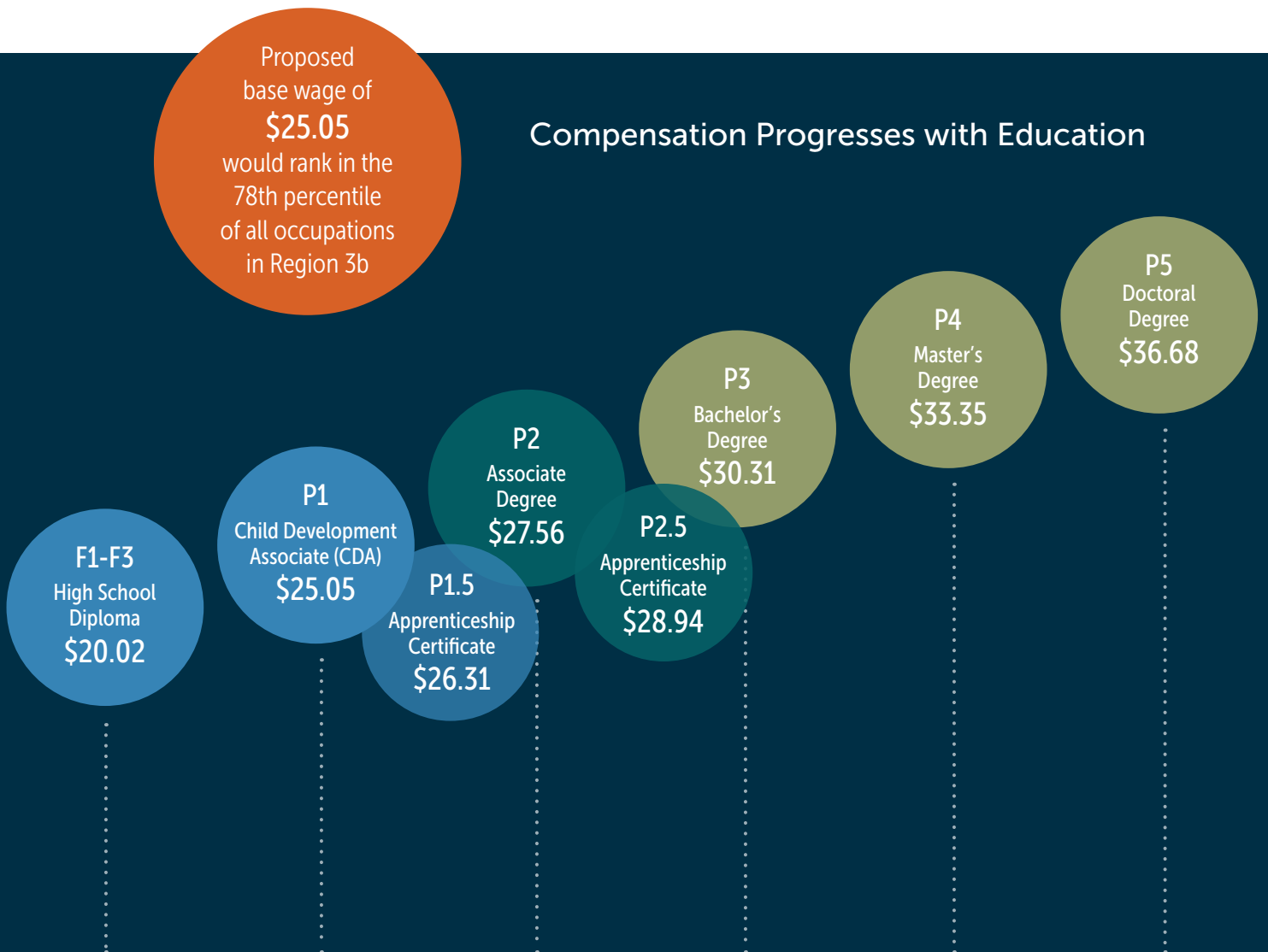


F1-P5 designations come from MiRegistry, Michigan’s professional development registry for the early childhood and school age workforce.

Lead Teacher Minimum Qualifications Across Settings

| School-based including Head Start & GSRP | Child Care Centers | Family Care Centers |
|---|--|---|
| Bachelor’s degree with at least 18 hours in Early Childhood Education; sometimes requires valid Michigan teaching certificate | High school diploma and Child Development Associate (CDA) credential | High school diploma + one college course in Early Childhood Education or 20 hours of training |

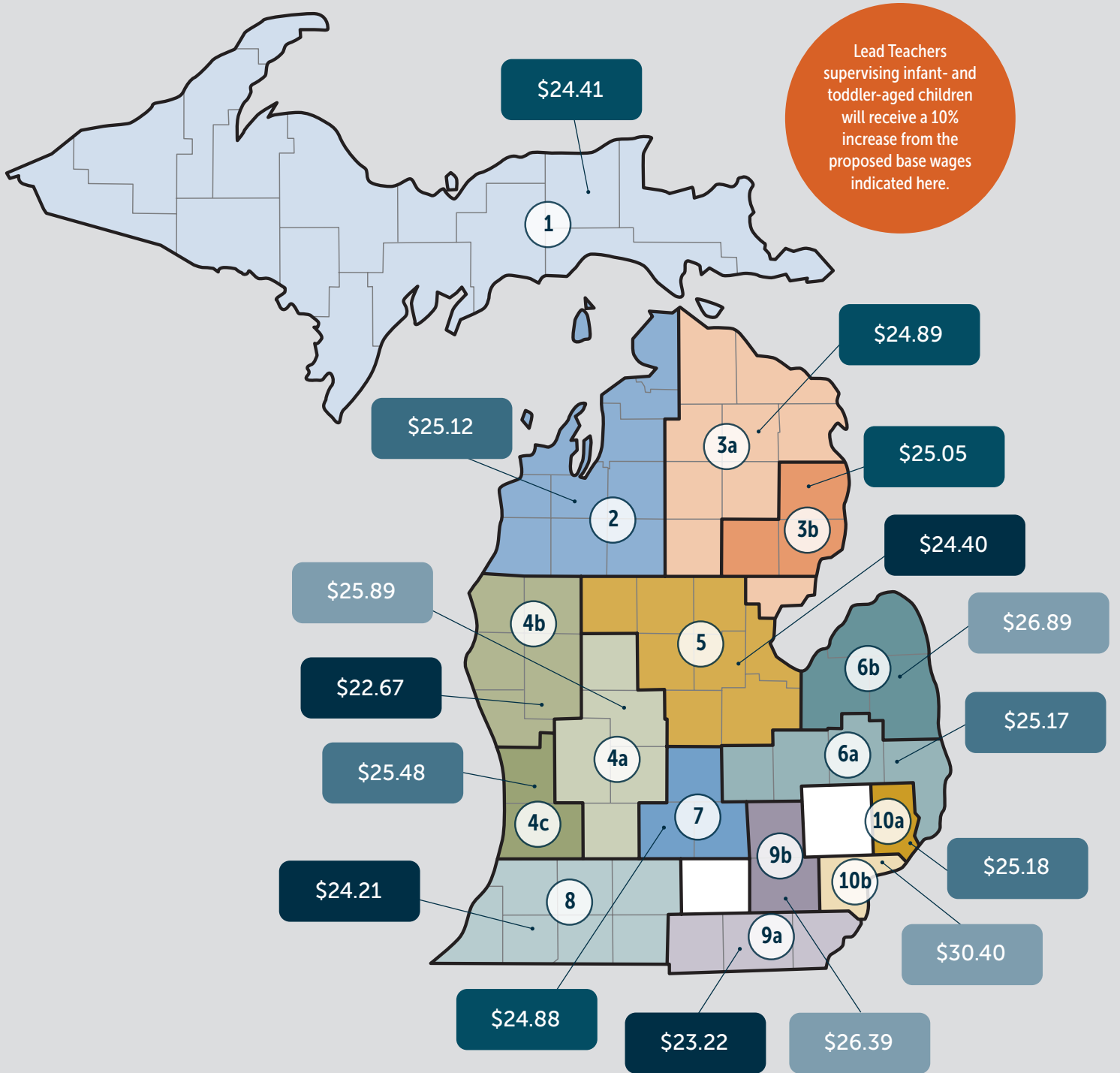
Compensation Progresses with Education



ECE professionals supervising infant- and toddler-aged children will receive a 10% increase from the base wage associated with that role supervising preschool-aged children. Thus, a Lead Teacher of infants and toddlers with a bachelor's degree should earn a base wage of \$33.35.

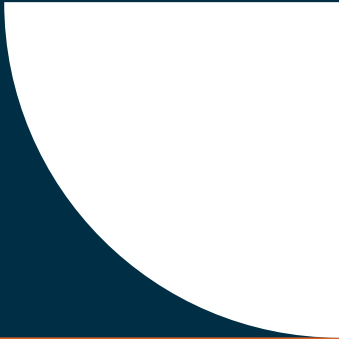
Proposed Base Wages for Lead Teachers, per Region, Preschool

(Base wages reflect the entry-level salary for a Lead Teacher with a child development associate (CDA) credential.)



Proposed Wages, Low to High

\$22.67  \$30.40



Individual Roles:

Assistant Teachers

Assistant Teachers in Region 3b – across settings, not only those in publicly funded pre-K, where earnings are higher – earned the second-lowest median wage of any ECE occupation, at \$12.63 in 2022. This ranks in the 37th percentile of all occupations in the region, meaning 63% of occupations earn a higher median wage. Other occupations with median wages that fell in the 37th percentile include Dry Cleaners, Fast Food Cooks, and Animal Caretakers – all of which require only a high school diploma.

\$12.63

Assistant Teachers earned the second-lowest median wage of any ECE occupation in the region at \$12.63 per hour in 2022



63%

of all occupations in the region earn a higher median wage, placing Assistant Teachers in the 37th percentile

89%

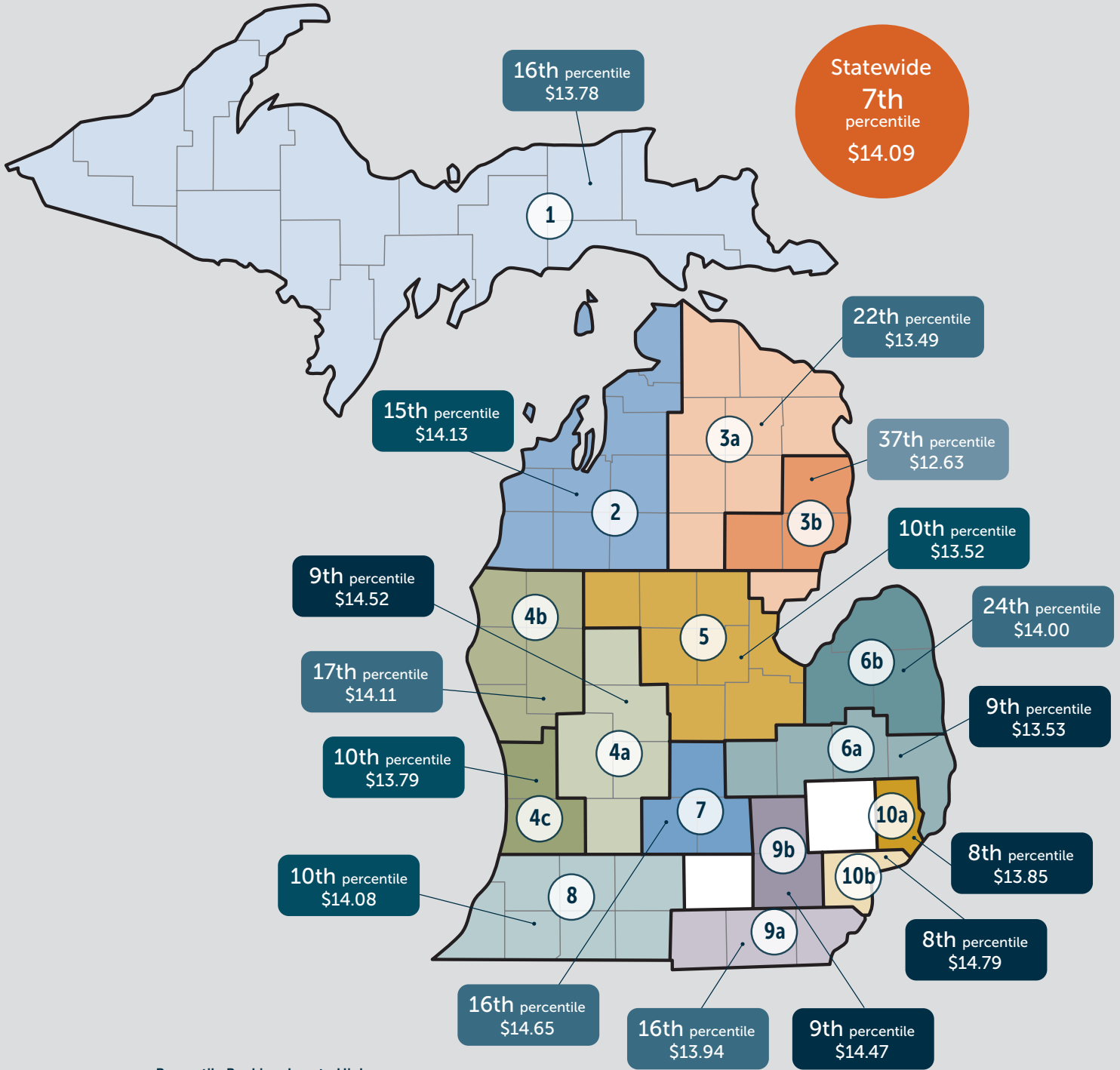
of Assistant Teachers in dual-income households must rely on some form of public assistance

Overview of Employment and Wages for Assistant Teachers

| Employment (2022) | Employment Trend | | Current Median Earnings | Proposed Base Wage | |
|-------------------|--|--|-------------------------|--------------------|----------------|
| | Past Growth (2001-2022) | Projected Growth (2022-2032) | | Preschool | Infant-Toddler |
| 236 |  (-23.6%) |  (5.3%) | \$12.63 Hourly, 2022 | \$18.79 | \$20.67 |

The median wage associated with Assistant Teachers is less than half of the living wage of \$25.25 required to sustain the average family size in the region (one adult, one preschooler, one school-aged child) in 2022. As such, **nearly 89% of Assistant Teachers are not capable of being financially self-sufficient in dual-income households and must rely on public assistance programs.** That percentage rises to 100% for Assistant Teachers who are the sole breadwinner in their family.

Percentile Ranking of Assistant Teacher Median Wage Compared to All 797 Occupations in Region, 2022



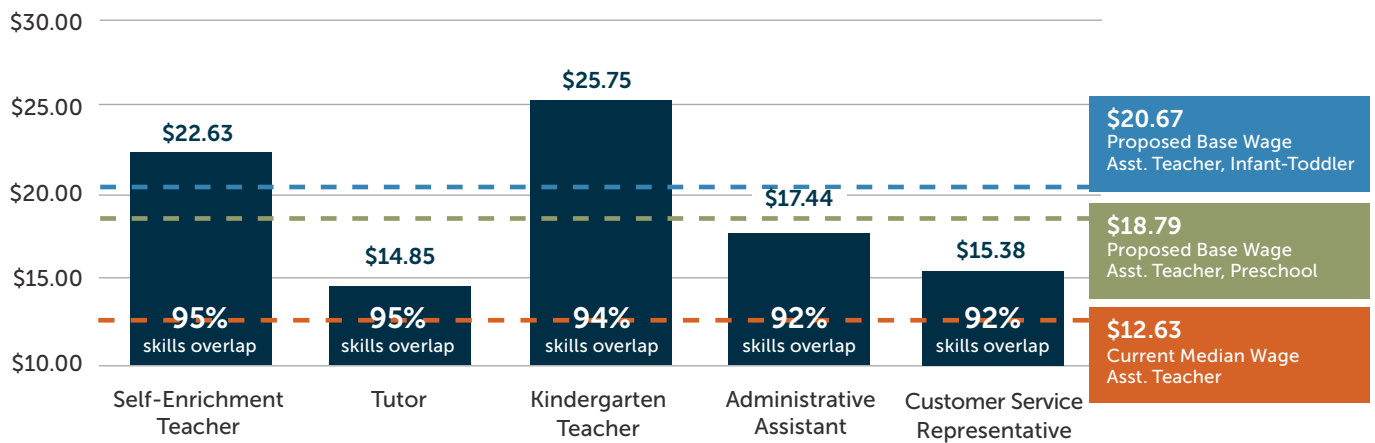
Assistant Teacher Wages Fall Significantly Below Comparable Roles

When it comes to roles that require similar competencies and skills as ECE Assistant Teachers, Self-Enrichment Teachers are at the top of the list. Self-Enrichment Teachers provide instruction to students in subjects that aren't academic or vocational but tend to be more recreational – including sports, art, dance, and yoga. Assistant Teachers could easily transition into this role without any upskilling or reskilling because they require 95% of the same competencies, have similar work environments, and only require a high school diploma. Despite the stark difference in qualifications and similar skills required of both roles, Self-Enrichment Teachers in Region 3b earn a median hourly wage \$10.00 above Assistant Teachers.



Like Lead Teachers, Assistant Teachers also require similar skills and qualifications as Kindergarten Teachers – with 94% of required competencies overlapping. Yet, Assistant Teacher wages are less than half of those offered to K-12 educators.

**Median Wage of Most Similar Roles and Share of Overlapping Skills
Assistant Teacher, Region 3b, 2022**



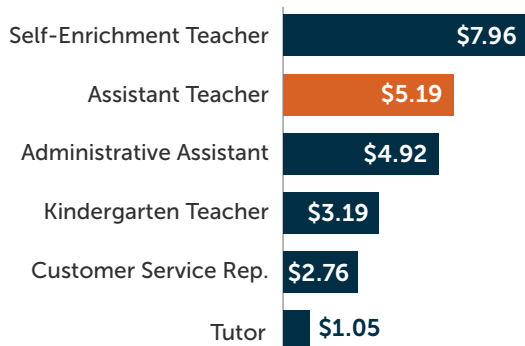
Assistant Teachers earned about **\$2.22 less** per hour in 2022 than the second-lowest paid comparable role.

Four out of five occupations on the list of top comparable roles could be considered entry-level positions, as they serve as the first job one would take before advancing along their respective career pathway. This stands in stark contrast to an Assistant Teacher, which is the mid-level role found in the ECE career path.

Yet, each comparable entry-level position offers a higher median wage than an Assistant Teacher, ranging from \$2.22 above to \$13.12 above. Over the course of a year, that could add up to over \$4,600 or \$27,300 more in gross earnings for an Assistant Teacher.

Wage growth of Assistant Teachers was second-highest among comparable roles over the 17-year period since 2005. Differences in wage increases range significantly across roles, with the median wage of Kindergarten Teachers rising \$3.19 over the respective period. Conversely, the median wage of Tutors rose by just \$1.05.

**Median Wage Growth, Region 3b
2005-2022**



Given that \$1 in 2005 has the same purchasing power as \$1.57 in 2022, the real rate of growth for Assistant Teacher wages stands at 20% — meaning Assistant Teachers earned about \$1.48 more per hour in 2022 than they did in 2005, after accounting for inflation.

Proposed Wage Scaling of Assistant Teachers in Region 3b

Wages shown on the opposite page reflect the entry-level, base hourly wage for an Assistant Teacher of preschool-aged children with the given educational qualification in Region 3b. The base wage should increase by 2.5% for every year of employment. Thus, an Assistant Teacher of preschool-aged children with an associate degree and six years of experience should earn a wage of \$23.97.

ECE Teaching Occupations

The ECE framework is founded on the work of the national Power to the Profession Task Force, which in 2019 adopted a unifying framework of ECE I, II, and III, reflecting standards and competencies for the early childhood education profession:

ECE I – Certificate/Apprenticeship

- F1: High School Diploma/GED
- F2: High School Diploma/GED + 60 hrs of training
- F3: High School Diploma/GED + 90 hrs of training + 6 semesters
- P1: CDA + 12 semesters
- P1.5: CDA + Apprenticeship Certificate

ECE 2 – Associate Degree/Apprenticeship

- P2: Associate degree in ECE/related field
- P2.5: Associate degree + Apprenticeship Certificate

ECE 3 – Bachelor’s Degree and Above

- P3: Bachelor’s degree in ECE or related field + 30 credit hours in ECE
- P4: Master’s degree in ECE or related field
- P5: Ph.D. or Ed.D. in ECE or related field

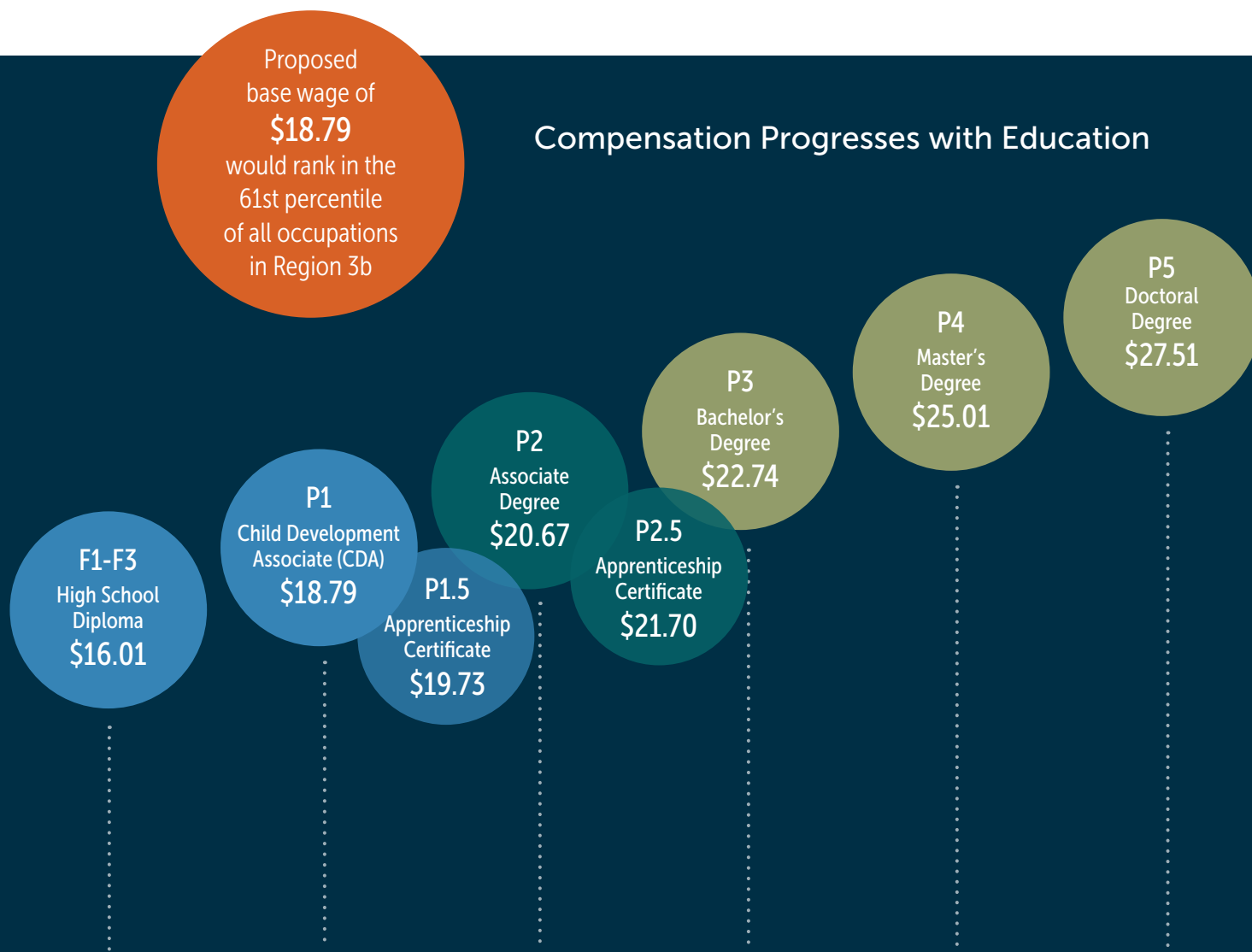


F1-P5 designations come from MiRegistry, Michigan’s professional development registry for the early childhood and school age workforce.

Assistant Teacher Minimum Qualifications Across Settings

| School-based including Head Start & GSRP | Child Care Centers | Family Care Centers |
|--|---|---|
| High school diploma + Child Development Associate (CDA) credential | High school diploma + one college course in Early Childhood Education or 20 hours of training | High school diploma + one college course in Early Childhood Education or 20 hours of training |

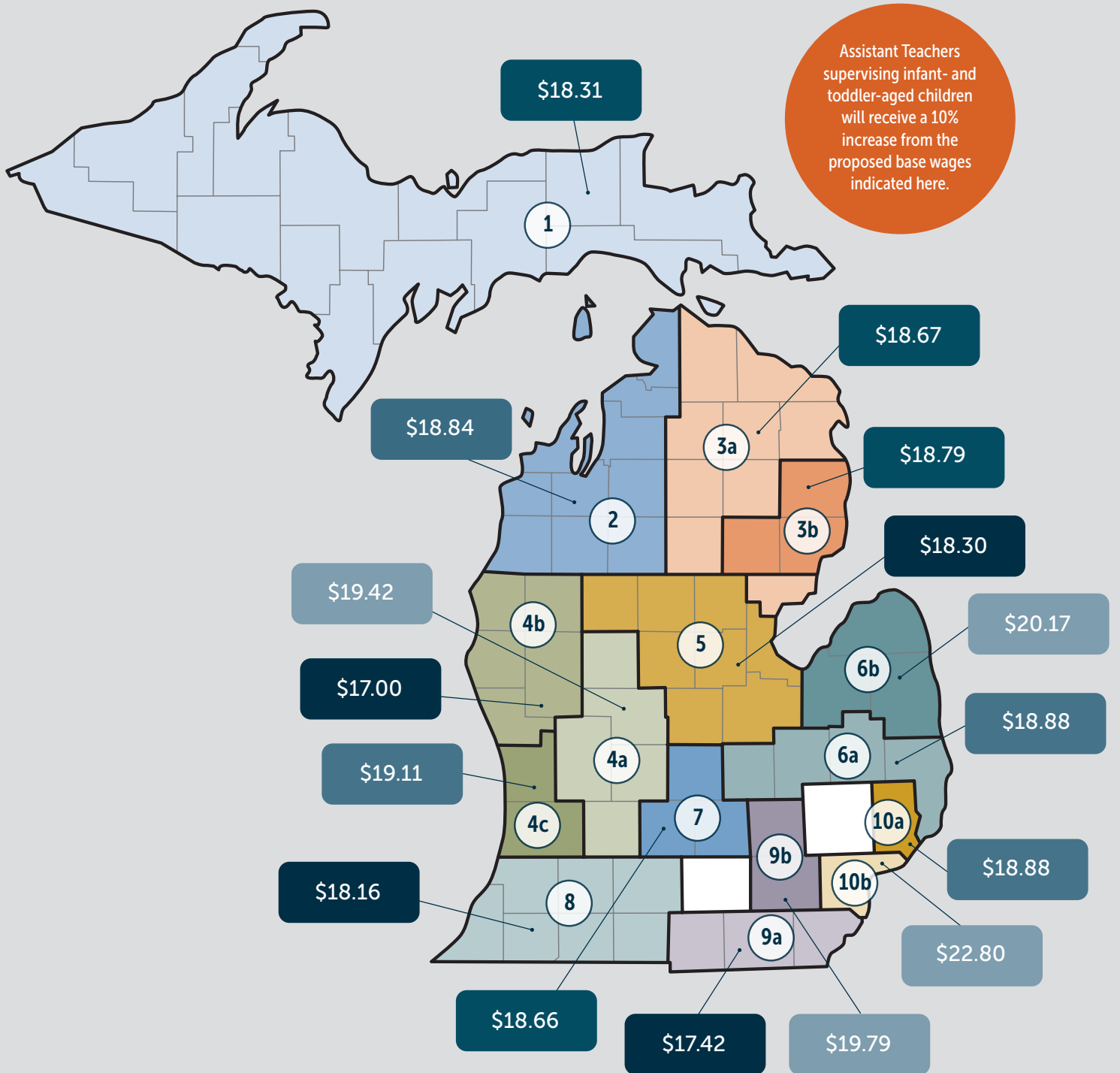
Compensation Progresses with Education



ECE professionals supervising infant- and toddler-aged children will receive a 10% increase from the base wage associated with that role supervising preschool-aged children. Thus, an Assistant Teacher of infants and toddlers with a bachelor's degree should earn a base wage of \$25.01.

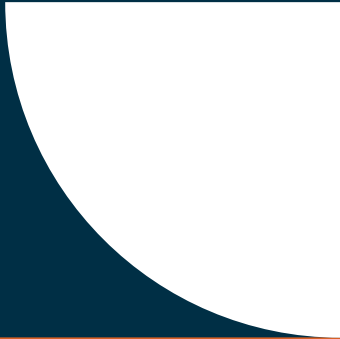
Proposed Base Wages for Assistant Teachers, per Region, Preschool

(Base wages reflect the entry-level salary for an Assistant Teacher with a child development associate (CDA) credential.)



Proposed Wages, Low to High

\$17.00  \$22.80



Individual Roles: Aides/Floaters

Center Aides, commonly referred to as Floaters, make up 25.9% of the ECE workforce in Region 3b and have the lowest threshold for entry compared to any other ECE role – explaining why they have the lowest median wage at \$12.58 in 2022. This ranks in the 37th percentile of all occupations in the region, meaning 63% of occupations offer a higher median wage. Other occupations with median wages that fell in the 37th percentile include Dry Cleaners, Fast Food Cooks, and Animal Caretakers – which typically have no formal education requirement.

\$12.58

Center Aides have the lowest median wage of any ECE occupation in the region, at \$12.58 per hour in 2022

63%

of all occupations in the region earn a higher median wage, placing Center Aides in the 37th percentile

73%

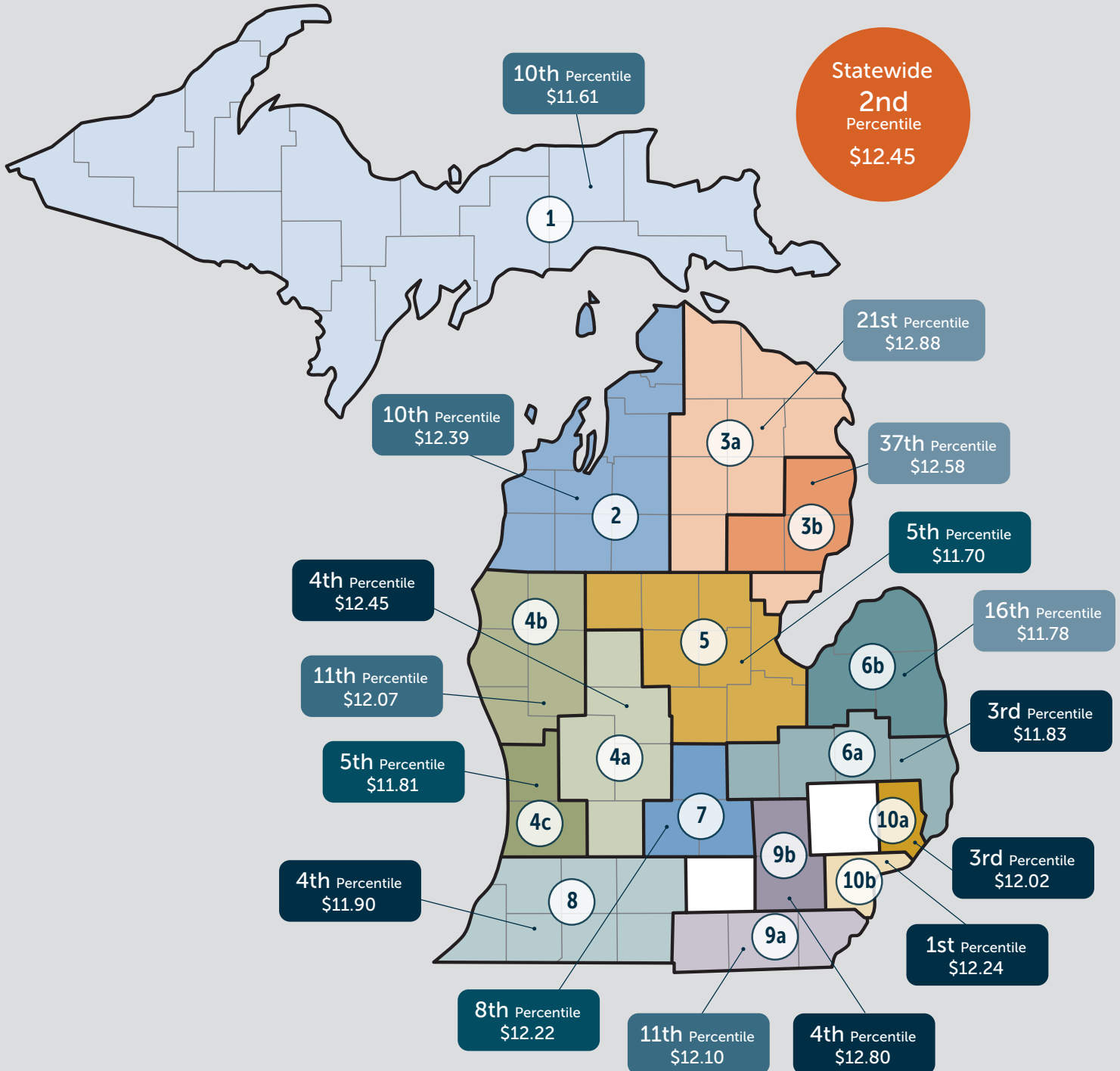
of Center Aides in a dual-income household must rely on some form of public assistance

Overview of Employment and Wages for Center Aides/Floaters

| Employment (2022) | Employment Trend | | Current Median Earnings | Proposed Base Wage | |
|-------------------|-------------------------|------------------------------|-------------------------|--------------------|----------------|
| | Past Growth (2001-2022) | Projected Growth (2022-2032) | | Preschool | Infant-Toddler |
| 104 | ▲ (11%) | ▲ (32.1%) | \$12.58 Hourly, 2022 | \$14.09 | \$15.50 |

Considering the median wage of Aides/Floaters is the lowest in the ECE workforce, it should come as no surprise that **approximately 73% of Aides/Floaters in Region 3b earn less than the self-sufficiency standard to support the average family size in the region, in a dual-income household. Thus, all early childhood Aides in single-income households must rely on public assistance programs.**

Percentile Ranking of Aides/Floaters Median Wage Compared to All 797 Occupations in Region, 2022



Percentile Ranking, Low to High
 1st 37th

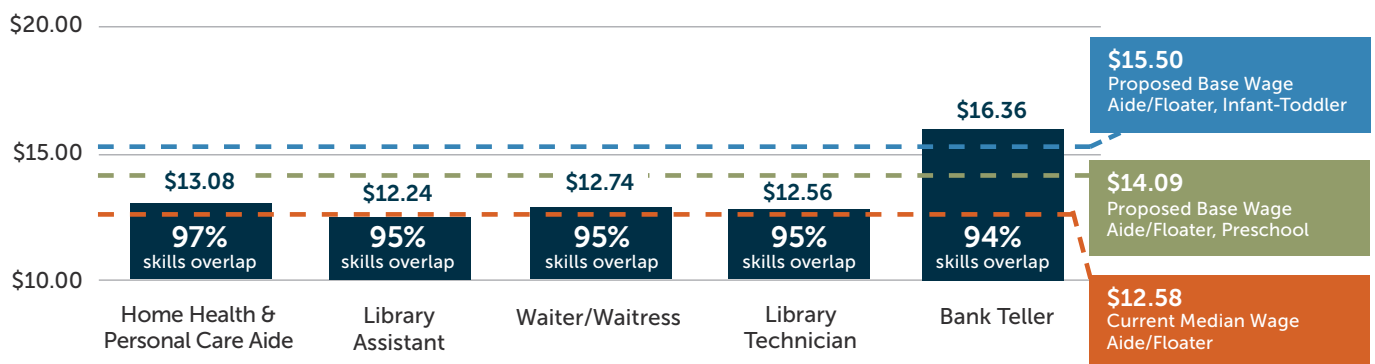
Aide/Floater Wages Fall Significantly Below Comparable Roles

Home Health and Personal Care Aides help people with disabilities or chronic illnesses complete daily living activities. Although they don't do much educating, and tend to provide care to older patients rather than young children, they require 97% of the same competencies as ECE Aides. Not only does this alternative career option provide higher pay, but it also has less stringent education requirements – typically just a high school diploma, where ECE Aides generally need a Child Development Associate (CDA) credential or 12 credits toward attaining one, depending on the setting.



Library Technicians are the only top comparable occupation that requires a postsecondary certificate, placing them on par with the typical education required of ECE Aides. Despite having similar educational qualifications, Library Technicians in Region 3b earn a median wage \$0.02 lower than ECE Aides.

Median Wage of Most Similar Roles and Share of Overlapping Skills Aide/Floater, Region 3b, 2022



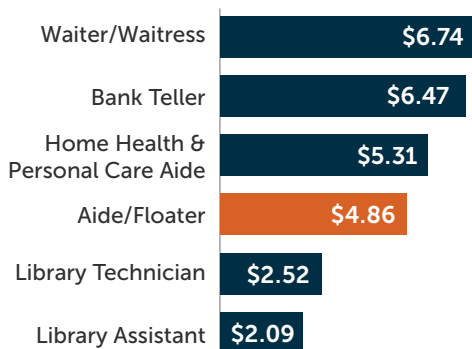
Aides/Floaters earned only **\$1.01 more** per hour in 2022 than they did in 2005 when accounting for inflation.

Library Technicians aside, none of the top occupations that are most comparable to Aides/Floaters require any education beyond high school, and most are associated with higher earning potential.

Bank Tellers, for example, typically receive about 1 month of on-the-job training and have a low bar to entry, which includes a high school diploma and potentially a background check, depending on the bank. Although it may seem like this role is very different from an ECE Aide, they require similar levels of communication, attention to detail, service orientation, and social perception. Yet, Bank Tellers earn \$3.78 more per hour, making them a logical alternative option for an ECE Aide. Over the course of a year, that could add up to an additional \$8,590 in gross earnings for an Aide/Floater.

Given that \$1 in 2005 has the same purchasing power as \$1.57 in 2022, the real rate of growth for ECE Aide wages stands at 13% – meaning Aides earned about \$1.01 more per hour in 2022 than they did in 2005 after accounting for inflation. In comparison, Waiters and Waitresses saw a 62% growth in their purchasing power, which equates to about \$3.75 more per hour.

**Median Wage Growth, Region 3b
2005-2022**



Proposed Wage Scaling of Aides/Floaters in Region 3b

Wages shown on the opposite page reflect the entry-level, base hourly wage for an Aide/Floater of preschool-aged children with the given educational qualification in Region 3b. The base wage should increase by 2.5% for every year of employment. Thus, an Aide/Floater of preschool-aged children with an Associate degree and six years of experience should earn a wage of \$17.98.

ECE Teaching Occupations

The ECE framework is founded on the work of the national Power to the Profession Task Force, which in 2019 adopted a unifying framework of ECE I, II, and III, reflecting standards and competencies for the early childhood education profession:

ECE I – Certificate/Apprenticeship

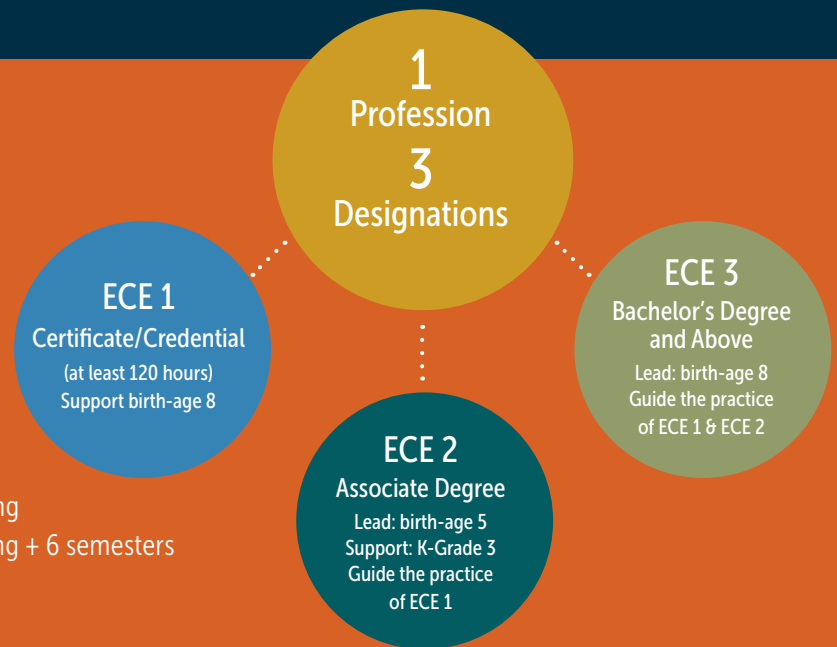
- F1: High School Diploma/GED
- F2: High School Diploma/GED + 60 hrs of training
- F3: High School Diploma/GED + 90 hrs of training + 6 semesters
- P1: CDA + 12 semesters
- P1.5: CDA + Apprenticeship Certificate

ECE 2 – Associate Degree/Apprenticeship

- P2: Associate degree in ECE/related field
- P2.5: Associate degree + Apprenticeship Certificate

ECE 3 – Bachelor’s Degree and Above

- P3: Bachelor’s degree in ECE or related field + 30 credit hours in ECE
- P4: Master’s degree in ECE or related field
- P5: Ph.D. or Ed.D. in ECE or related field



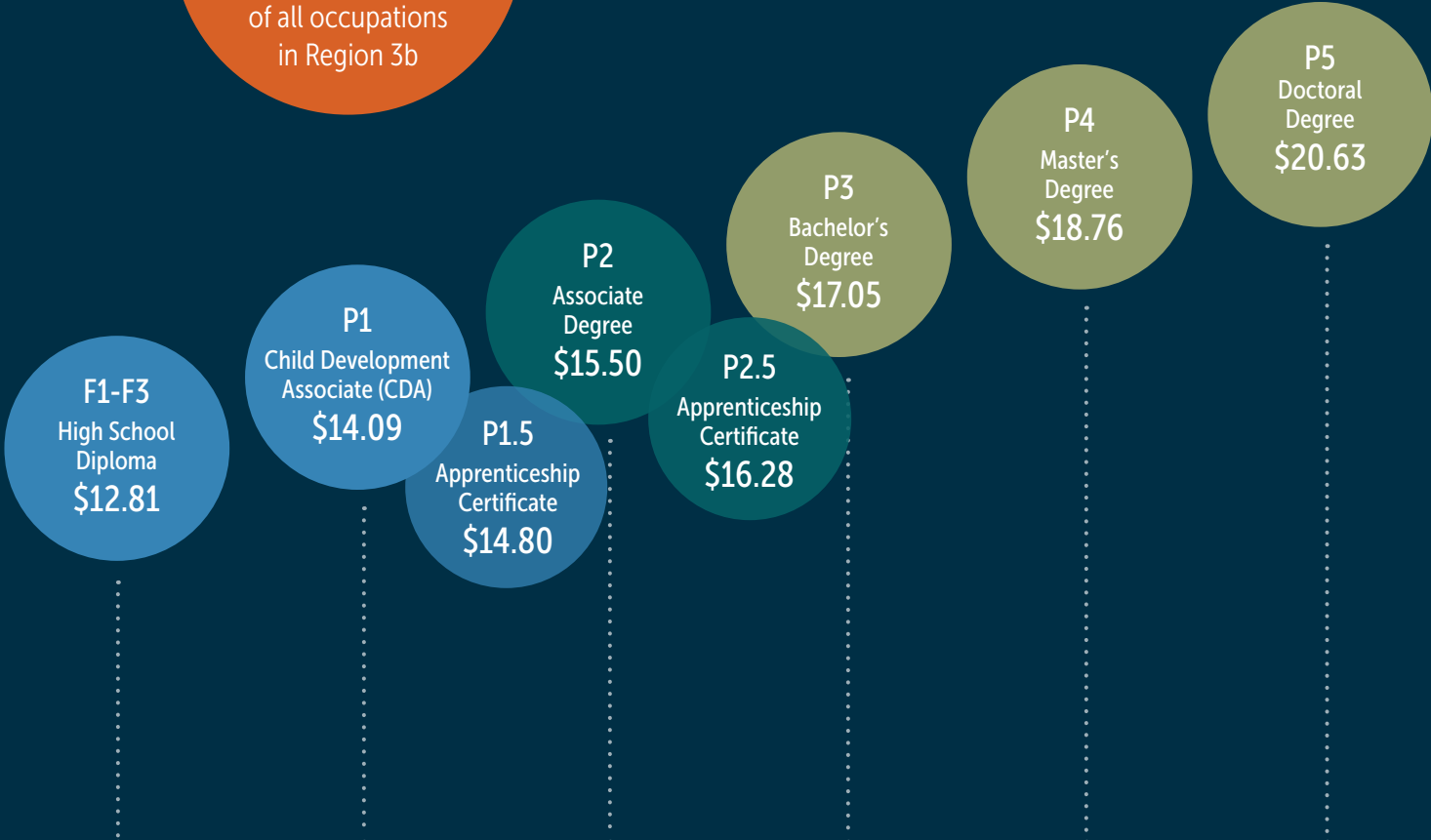
F1-P5 designations come from MiRegistry, Michigan’s professional development registry for the early childhood and school age workforce.

Child Care Aide Minimum Qualifications Across Settings

| School-based including Head Start & GSRP | Child Care Centers | Family Care Centers |
|---|---|---------------------|
| High school diploma + Child Development Associate (CDA) credential or up to 2 Child Development credits | High school diploma + 12 early childhood education credit hours | High school diploma |

Proposed
base wage of
\$14.09
would rank in the
42nd percentile
of all occupations
in Region 3b

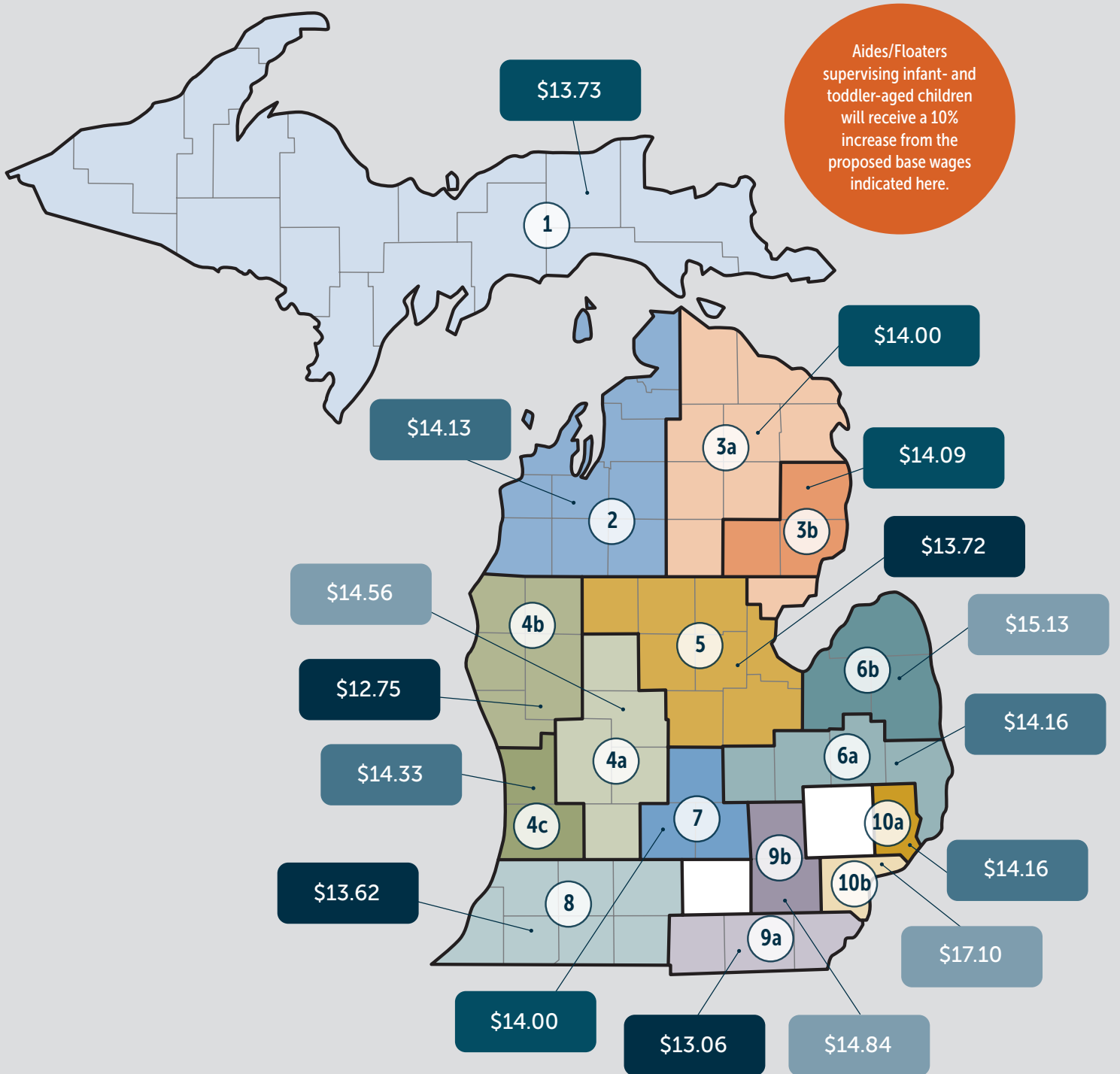
Compensation Progresses with Education



ECE professionals supervising infant- and toddler-aged children will receive a 10% increase from the base wage associated with that role supervising preschool-aged children. Thus, an Aide/Floater of infants and toddlers with a Bachelor's degree should earn a base wage of \$18.76.

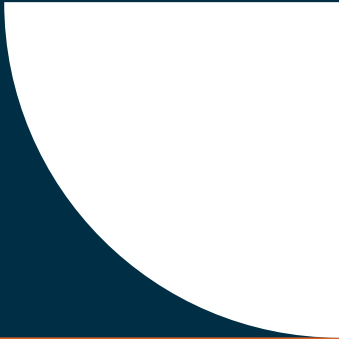
Proposed Base Wages for Aides/Floaters, per Region, Preschool

(Base wages reflect the entry-level salary for Aides/Floaters with a child development associate (CDA) credential.)



Proposed Wages, Low to High

\$12.75  \$17.10



Individual Roles:

Substitutes

Substitutes were the least prevalent ECE role in Region 3b, comprising about 5% of the workforce in 2022, but earned the second-highest median wage at \$12.99. This ranks in the 38th percentile of all occupations in the region, meaning 62% of occupations earn a higher median wage. Other occupations with median wages that fell in the 38th percentile include Waiters and Waitresses, Restaurant Cooks, and Groundskeepers – roles that generally only require a high school diploma or have no education requirements at all.

\$12.99

Substitutes earn the highest wage of ECE occupations in the region, at \$12.99 per hour in 2022



62%

of all occupations in the region earn a higher median wage, placing Substitutes in the 38th percentile

65%

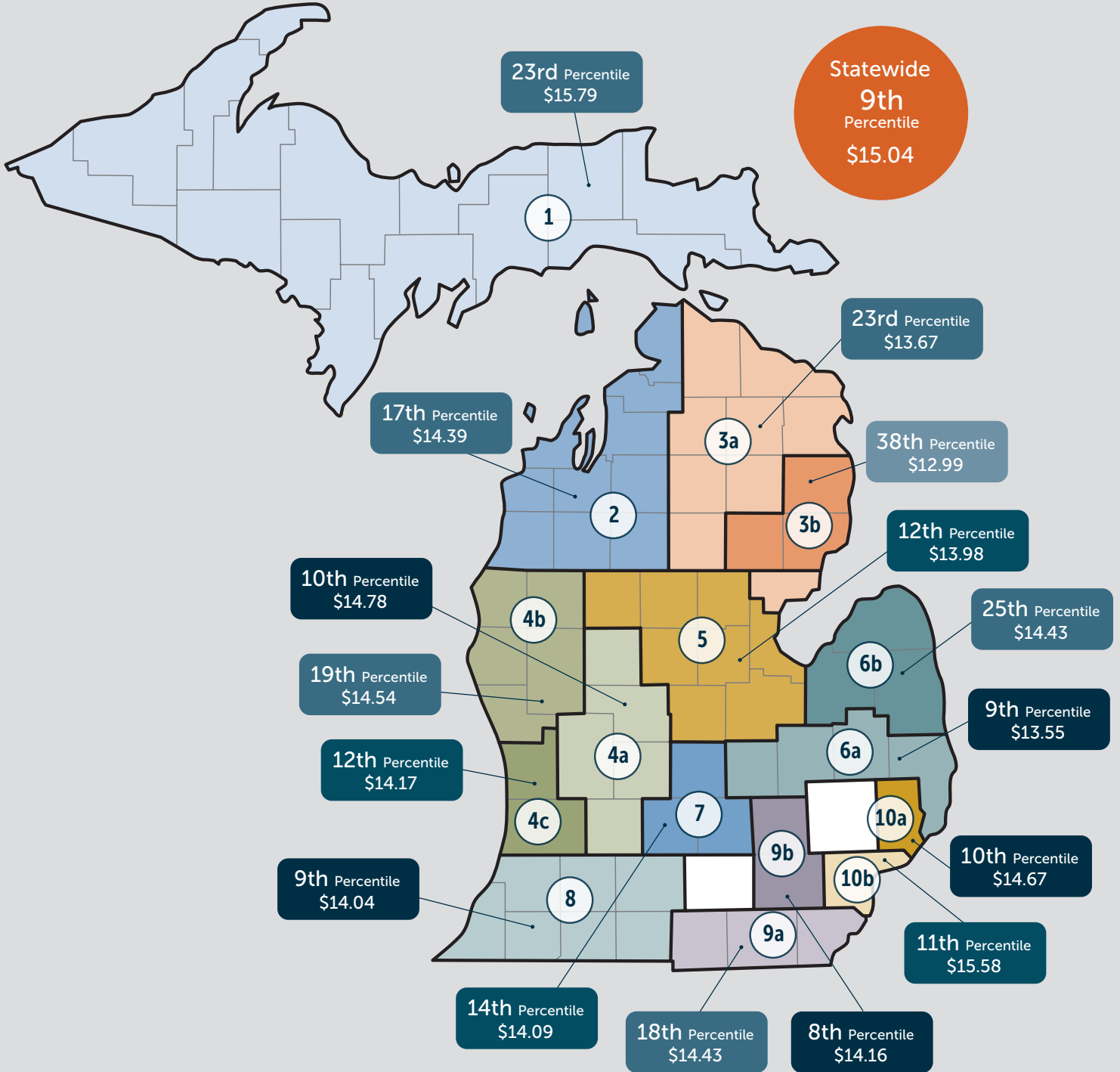
of Substitutes in a dual-income household must rely on some form of public assistance

Overview of Employment and Wages for Substitutes

| Employment (2022) | Employment Trend | | Current Median Earnings | Proposed Base Wage | |
|-------------------|--|---|-------------------------|--------------------|----------------|
| | Past Growth (2001-2022) | Projected Growth (2022-2032) | | Preschool | Infant-Toddler |
| 19 |  (-59.6%) |  (15.1%) | \$12.99 Hourly, 2022 | \$18.79 | \$20.67 |

The median wage of Substitutes is nearly half of the living wage of \$25.25 required to sustain the average family size in Region 3b (one adult, one preschooler, one school-aged child) in 2022. As such, **approximately 65% of Substitutes in the region earn below the self-sufficiency standard for a dual-income household, while 85% are not capable of supporting the average-sized family on their income alone.**

Percentile Ranking of Substitutes Median Wage Compared to All 797 Occupations in Region, 2022



Percentile Ranking, Low to High



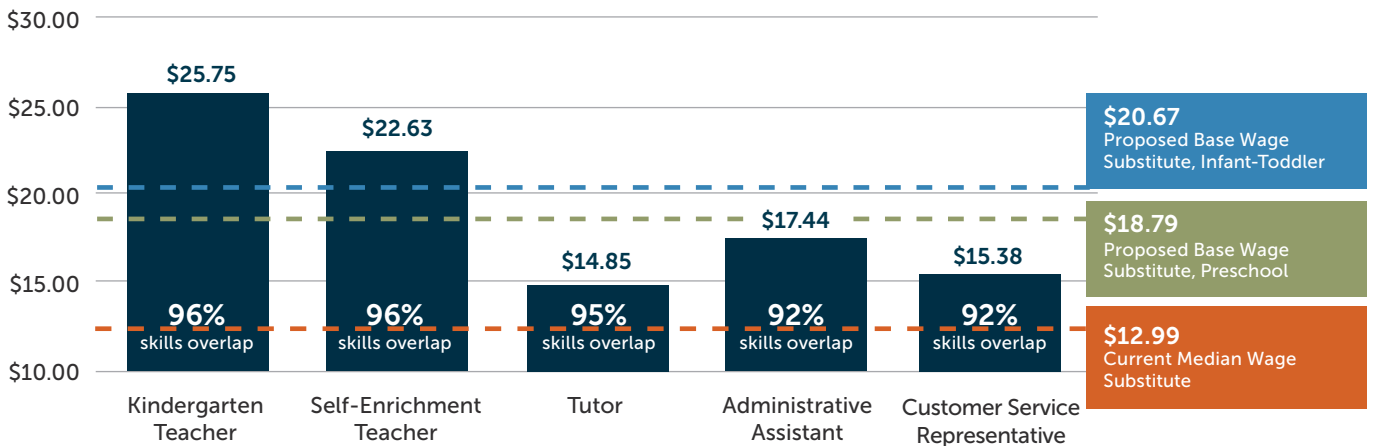
Substitute Wages Fall Significantly Below Comparable Roles

In terms of competencies and work activities, Substitutes fall squarely between Lead Teachers and Assistant Teachers. Substitutes generally don't create lesson plans or evaluate student performance, unless they're in long-term assignments, but they are responsible for taking leadership over the classroom in a Lead Teacher's absence. As such, Kindergarten Teachers are the most similar alternative occupation to Substitutes, requiring 96% of the same skills and similar educational qualifications as Substitutes in school-based settings. Yet, the current median hourly wage of Substitutes falls \$12.76 below the median wage of Kindergarten Teachers.



Self-Enrichment Teachers provide instruction to students in subjects that aren't academic or vocational, but tend to be more recreational – including art, dance, yoga, and various sports. These roles require 96% of the same skills as Substitutes and earn \$9.64 more per hour at the median. One notable difference, aside from the age range of the students receiving instruction, is that Self-Enrichment Teachers don't require education beyond high school – making any Substitute qualified to transition into this role.

Median Wage of Most Similar Roles and Share of Overlapping Skills Substitute, Region 3b, 2022



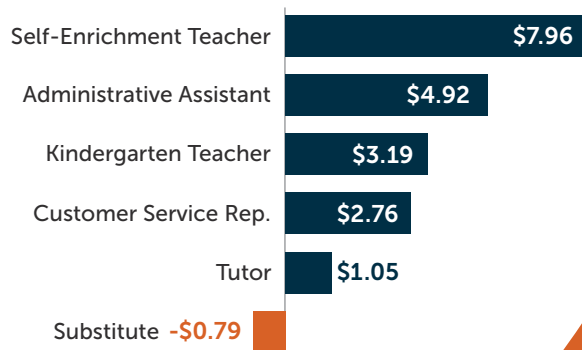
Substitutes earned **\$7.93 less** in 2022 than in 2005 when accounting for inflation.

Aside from Kindergarten Teachers, none of the top occupations that are most comparable to Substitutes require any education beyond high school, and all are associated with higher earning potential.

The current wage gap between Substitutes and alternative roles ranges from as little as \$1.86 for Tutors, to as high as \$12.76 for Kindergarten Teachers. Over the course of a year, that could add up to over \$2,100 or \$26,500 more in gross earnings for a Substitute.

Unlike other ECE roles, the median wage of Substitutes declined since 2005. The decline of \$0.97 is multiplied by inflation. As a result, the real decline in wage growth for Substitutes stands at 57%. This means that Substitutes in 2022 really earned \$7.93 per hour less than in 2005.

Median Wage Growth, Region 3b 2005-2022



Proposed Wage Scaling of Substitutes in Region 3b

Wages shown on the opposite page reflect the entry-level, base hourly wage for a Substitute of preschool-aged children with the given educational qualification in Region 3b. The base wage should increase by 2.5% for every year of experience. Thus, a Substitute of preschool-aged children with an associate degree and six years of experience should earn a wage of \$23.97. Substitutes in long-term assignments should receive a 10% increase to the wage associated with their education and experience, because the responsibilities more closely align to a Lead Teacher (lesson planning, etc.).

ECE Teaching Occupations

The ECE framework is founded on the work of the national Power to the Profession Task Force, which in 2019 adopted a unifying framework of ECE I, II, and III, reflecting standards and competencies for the early childhood education profession:

ECE I – Certificate/Apprenticeship

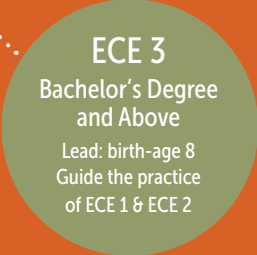
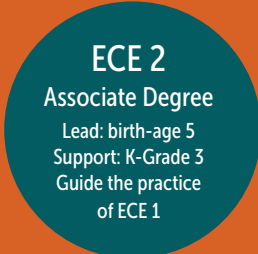
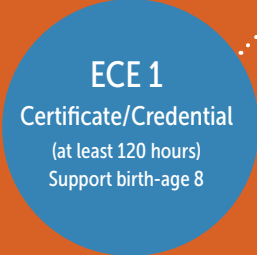
- F1: High School Diploma/GED
- F2: High School Diploma/GED + 60 hrs of training
- F3: High School Diploma/GED + 90 hrs of training + 6 semesters
- P1: CDA + 12 semesters
- P1.5: CDA + Apprenticeship Certificate

ECE 2 – Associate Degree/Apprenticeship

- P2: Associate degree in ECE/related field
- P2.5: Associate degree + Apprenticeship Certificate

ECE 3 – Bachelor’s Degree and Above

- P3: Bachelor’s degree in ECE or related field + 30 credit hours in ECE
- P4: Master’s degree in ECE or related field
- P5: Ph.D. or Ed.D. in ECE or related field

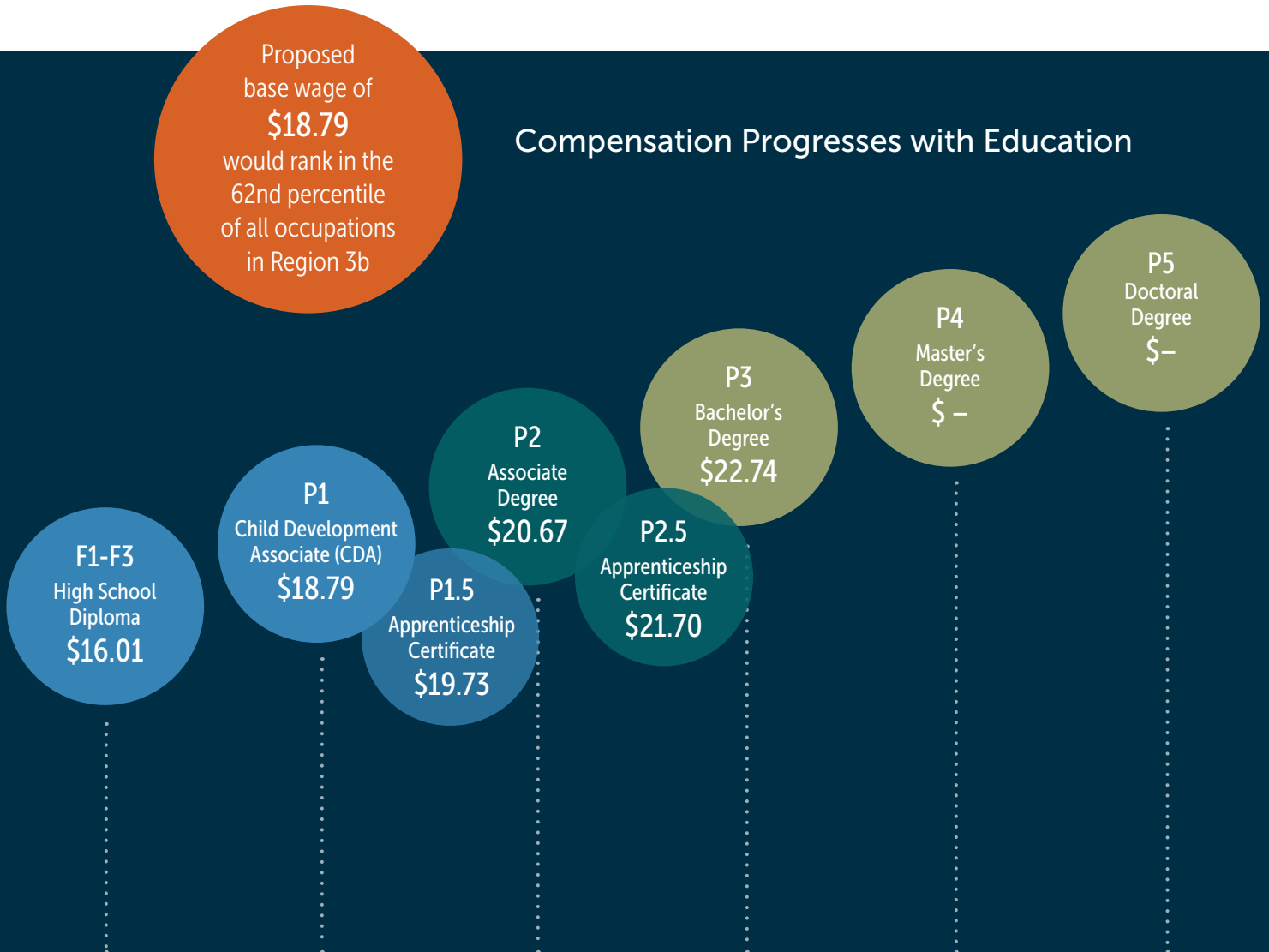


F1-P5 designations come from MiRegistry, Michigan’s professional development registry for the early childhood and school age workforce.

Substitute Minimum Qualifications Across Settings (usually the same as Lead Teacher)

| School-based including Head Start & GSRP | Child Care Centers | Family Care Centers |
|---|--|---|
| Bachelor’s Degree with at least 18 hours in Early Childhood Education; sometimes requires valid Michigan teaching certificate | High school diploma and Child Development Associate (CDA) credential | High School Diploma + one college course in Early Childhood Education or 20 hours of training |

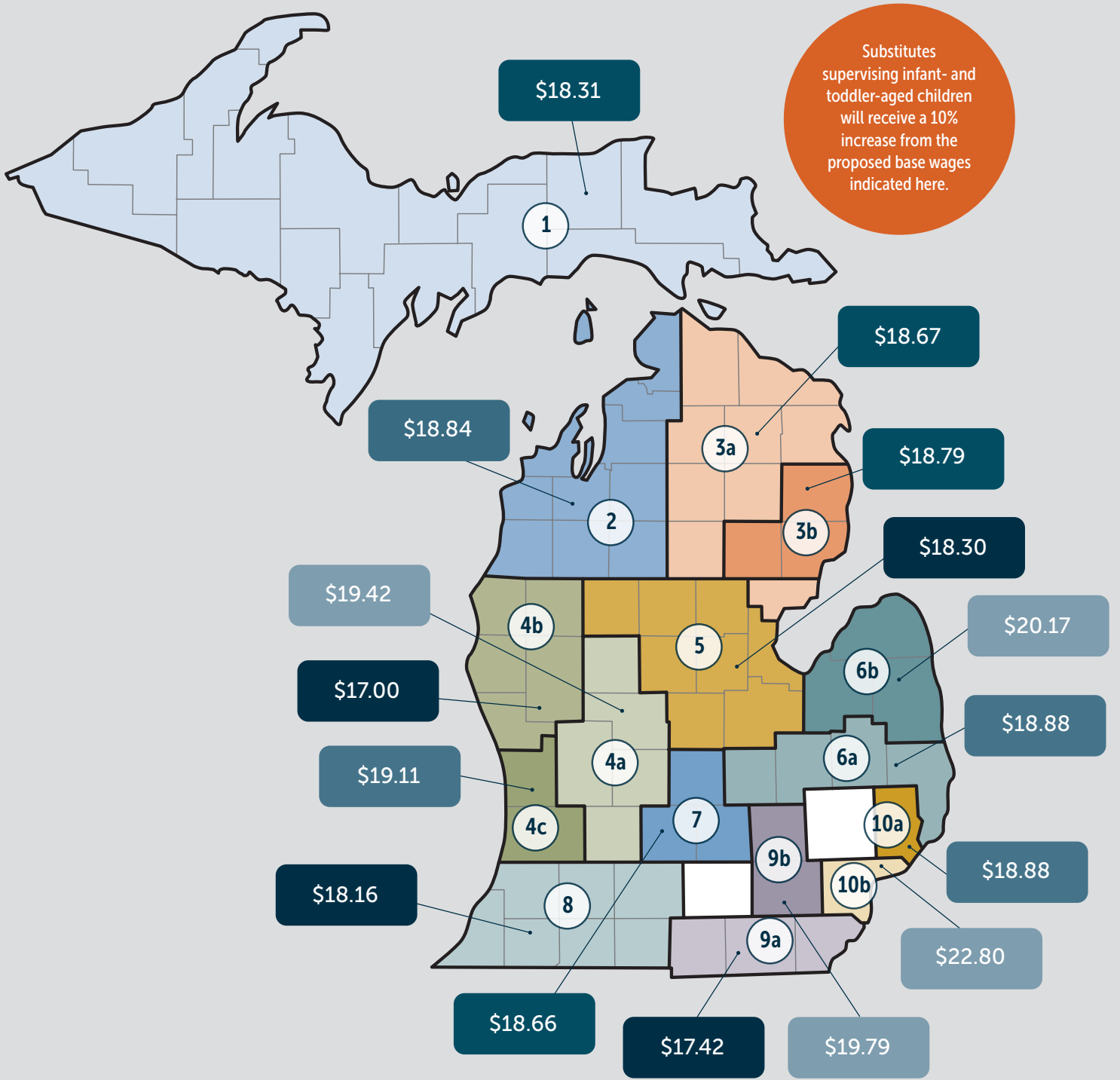
Compensation Progresses with Education



ECE professionals supervising infant- and toddler-aged children will receive a 10% increase from the base wage associated with that role supervising preschool-aged children. Thus, a Substitute of infants and toddlers with a bachelor's degree should earn a base wage of \$25.01.

Proposed Base Wages for Substitutes, per Region, Preschool

(Base wages reflect the entry-level salary for a Substitute with a child development associate (CDA) credential.)

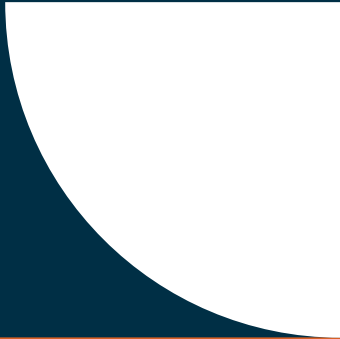


Proposed Wages, Low to High

\$17.00



\$22.80



Conclusion

In recent years, governments and communities have increasingly embraced early care and education programs as a key solution for early learning for children and families, and a driver for many lifelong benefits. Despite this recognition, systemic early childhood workforce challenges that worsened for decades became particularly acute during the COVID-19 pandemic. As a result, hundreds of Michigan early care and education classrooms are closed or operating at diminished capacity due to workforce issues — costing the state an estimated \$2.88 billion in economic activity per year.



Unlike other sectors, a market-driven approach has proved insufficient to address Michigan's child care crisis. Child care has a regulatory environment that enforces strict ratios between early educators and children. This means providers are unable to increase capacity to offset increased costs of labor. With parents as the primary payor, increasing educator wages would put even greater pressure on household incomes for Michigan families. Since no high-quality alternatives exist, as they do in other markets, parents would either be forced to pay a greater share of their income, find inferior or possibly unsafe substitutes, or leave the workforce and stay home to act as their own caregivers.

The comparatively low compensation for early childhood educators, as documented in our analysis, is a significant factor contributing to these child care shortages. Because Michigan's early care and education workforce is comprised almost entirely of women, many of whom are women of color, these low wages also perpetuate existing racial and gender-based wealth disparities.

Michigan's child care system requires additional funding to place early educator compensation on par with comparable roles in the public K-12 system. This is a crucial first step for Michigan to move toward a living wage model that more closely reflects the education and responsibilities expected of this important profession. It should be noted, however, that increased investment should not come on the backs of parents, as expenses are already prohibitive, in some cases rivaling the cost of college. Additional state and federal investments will be required to create a sustainable funding mechanism that promotes a system of accessible, high-quality ECE that places equity at the center.

These benefits extend beyond the ECE workforce, starting with children who will have greater access to the high-quality early education critical to their development. Reversing Michigan's loss of child care openings will remove one of the biggest barriers to employment, allowing parents to rejoin the workforce. This will simultaneously increase tax revenues and reduce the cost of public assistance programs. Increasing early childhood educator pay is an investment that will pay multiple dividends across generations.



About Early Childhood Investment Corporation

Created in 2005 to be a statewide leader in early childhood, ECIC collaborates to increase public and private investment in the earliest years, to elevate issues affecting young children and their families, and continuously improve Michigan's comprehensive early childhood system, ensuring every child has the opportunity to succeed in school and in life. For nearly two decades, ECIC has effectively invested over \$250 million in communities across Michigan,

About TalentFirst

TalentFirst is a 501c3, CEO alliance providing leadership on today's complex talent challenges. It relies on data and expertise to illuminate gaps, evaluate strategies, and advocate for solutions to attract, retain, and develop the talent West Michigan employers need and to ensure all individuals and the region can thrive. TalentFirst is headquartered in West Michigan and works in partnership with organizations and communities across the state. TalentFirst has a track record of developing reputable research reports, including wage studies and wage scales, for the early childhood sector and other industries.





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