Early Care & Education Consortium

Investing in the Early Care & Education Workforce

Early Care and Education Consortium (ECEC) members operate more than 7,500 programs across 47 states, employ about 185,000 educators, and serve over one million children.

ECEC providers invest in above-market wages, comprehensive benefits, and professional development to support a qualified workforce and high-quality care. Despite these investments, recruiting and retaining qualified early educators remains challenging. Providers compete against higher-paying industries while working within a market where neither what families can afford to pay nor public reimbursement rates fully cover the true cost of quality care.

ECEC INVESTMENT IN THE WORKFORCE

$19.80/hr
Avg. ECEC lead-teacher wage

+ 12%
Above the childcare industry median[1]

$350M to $475M
Est. annual ECEC member investment in wages above the industry benchmark.

This represents:
$81,700/center
in investments above the industry benchmark.[2]

VALUE OF ADDITIONAL INVESTMENT AT SCALE

$170M to $230M
Est. annual cost of each additional dollar per hour across approximately 81,000 teaching staff at ECEC members' centers. The estimate does not include other staff wages (e.g., cooks).

~$204M to $276M
The cost of each additional dollar per hour once benefits are included, estimated conservatively at 20% of wages.[3]

WORKFORCE BENEFITS	ECEC MEMBERS	PRIVATE INDUSTRY*
Medical Insurance	93.4%	72%
Retirement Plans	96.2%	72%
Paid Time Off	100%	80%
Childcare Tuition/Discount	100%	13%
Education/CDA Support	99.1%	—
Mental Health Support	81.6%	—
Professional Development	23.1 hrs/yr	—

** Private industry benchmarks reflect all private-sector employers and are not limited to the childcare industry. Comparable national benefit data for childcare providers are only available for specific categories. For example, according to a 2024 Bipartisan Policy Center Report, only 15% of childcare workers receive health insurance through their job and 41% of childcare workers lack access to sick leave.*

> **As a teacher in the ECE field**, if there was no tuition discount I would be working only to pay for [my daughter] to attend the school I teach at. New Horizon Academy offered a **65% discount off tuition** for my daughter to attend.
>
> **— *Curriculum Coordinator***
> **New Horizon Academy, CO**

> Through Learning Care I was able to **obtain my CDA** and become a Team Lead at our center. I then **pursued an associate's degree** with Learning Care's partnership with Rasmussen University and moved to Associate Director then onto Center Director.
>
> **— *Center Director***
> **Learning Care, PA**

POLICY ASK

Increase and sustain robust CCDBG and state childcare funding to support competitive educator compensation, benefits, and professional development.

Advance workforce-focused policies that help providers recruit, retain and develop the early care and education workforce pipeline.

The Workforce Challenge: An Industry-Wide Problem

What causes turnover in childcare? Wage competition, inadequate reimbursement rates, shortage of CCDBG funding.

Staff turnover is not a provider-specific problem; it is an industry-wide challenge.

- Childcare wages, even those above-market, compete against a national all-occupation median wage of **$24.51/hr**. A lead teacher earning $19.80/hr is still earning roughly **$4.70 less per hour** than the typical American worker.
- Turnover is a challenge across the childcare industry, with about **31%** of teachers leaving their programs each year. Labor is a provider's most costly input, accounting for about 75% of the operating budget. Childcare is not a high-margin business, limiting providers' ability to raise compensation without additional funding or increasing tuition for families. The two publicly traded operators reported fiscal 2025 net margins of −4% and +7%.
- Each additional dollar per hour across approximately 81,000 teaching staff represents roughly **$170 million per year** in additional payroll—illustrating the scale of the investment required to close the gap.

Recent Federal & State Actions to Support Educator Retention

Tax Relief for Educators

New federal law, the SEED Act, extends to early childhood educators the existing above-the-line tax deduction for K-12 teachers of up to $350 in out-of-pocket classroom supply expenses.

State Workforce Recruitment and Retention Initiatives

Pennsylvania provides a Childcare Staff Recruitment and Retention bonus to eligible childcare staff, funded at $30 million in 2026, with individual bonuses set at $540 per individual.

Massachusetts included an additional $8 million in childcare financial assistance for ECE staff in its FY 2027 supplemental budget.

State Investments in Educator Compensation

Illinois' Smart Start Workforce Grant program dedicates $200 million to raising wages for ECE staff.

Minnesota's Great Start Compensation Support Payment Program sends funding directly to teachers in classrooms.

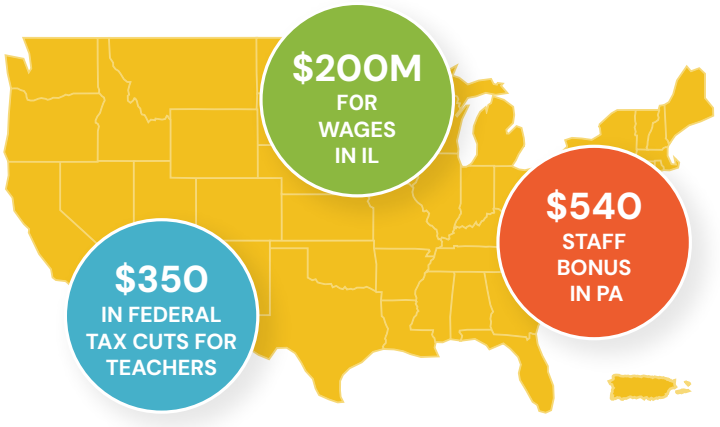
New Mexico set a wage floor of $16 to $19 per hour, depending on a program's quality rating.

State Childcare Assistance for Childcare Workers

Illinois only charges income-eligible childcare workers a $1 copayment for subsidized childcare.

Kentucky considers childcare staff categorically eligible for a subsidy, regardless of household income. Iowa offers a Child Care Assistance program for eligible childcare workers, regardless of income.

Maryland and Texas have established subsidy priority for eligible childcare employees.



[1] Wage figures reflect hourly pay only and do not include the value of benefits. ECEC member companies' total compensation packages are significantly higher once benefits are added, which include medical insurance, retirement plans, paid time off, and a childcare tuition discount.

[2] One full-time ECEC lead teacher earns, on average, $4,300/yr above a lead teacher paid the childcare industry median. This figure is derived from the $2.08/hr lead-teacher wage premium multiplied by 2,080 full-time hours per year.

[3] The Bipartisan Policy Center reports that benefits—including life insurance, health insurance, sick leave, and retirement benefits—increase total compensation by an average of 22–36% in the Military Child Care System. BLS data on this is even stronger—benefits add about 43% to the compensation package. Even at 20%, that is a very significant investment. ECEC estimates that a 20% benefits package would yield a total value of additional investment at scale of roughly $204 million ($170M × 1.20).

Data: Tyton Partners, The ECE Sector and the ECEC Membership in Context (Aug.2026); U.S. Department of Labor Bureau of Labor Statistics, Occupational Employment and Wage Statistics (May 2025); U.S. Department of Labor Bureau of Labor Statistics, Employee Benefits in the United States (March 2025); Brown, J.H. & Herbst, C.M., "Big Daycare: The Growth of Private Equity in the U.S. Child Care Market" (Aug. 2026); ECEC Member Survey (July 2026); Bipartisan Policy Center, "Top-Down, Bottom-Up: Building a State Child Care Center Workforce" (Feb. 2024); Illinois Gateways, Smart Start Workforce Grants.