

---

# EPI Issue Brief

---

Issue Brief #216-G

Economic Policy Institute

September 15, 2005

## **LOSING GROUND IN WISCONSIN CHILDHOOD EDUCATION Declining Workforce Qualifications in an Expanding Industry, 1980-2004**

*by Stephen Herzenberg, Mark Price, and David Bradley*

### **Introduction**

“Parents can’t afford to pay, teachers can’t afford to stay, there’s got to be a better way.” This is a common sentiment of professionals in the field of early childhood education (ECE). This report shows that the Wisconsin industry has indeed struggled to attract and hold onto a qualified workforce since the 1980s.

The qualifications of early childhood educators matter because, first, high-quality ECE improves long-term academic outcomes for children and delivers benefits to the community that far outweigh the costs;<sup>1</sup> and, second, high-quality ECE programs require educated and experienced teachers (Bowman, Donovan, and Burns 2000).

The issue brief relies on new data that track center-based ECE outside of public schools for a 25-year period (see note on the data). For home-based ECE, consistent data are available for 2000-04.

### **Main findings**

*Today, a lower share of center-based early childhood educators has a four-year college degree than in 1980.* In center-based ECE programs, the share of Wisconsin early childhood educators (teachers, directors, assistant teachers, and teacher aides) with a four-year college degree fell from 32% in 1980, to 25% in 1990, to 18% today.

#### NOTE ON THE DATA

The data analyzed in this issue brief come from the 1983-2004 Current Population Survey (CPS), a monthly survey of 60,000 U.S. households, and the 1980, 1990, and 2000 decennial U.S. Census. While our companion study on national trends relies exclusively on the CPS, state reports rely more on the Census because the Census contains more data for each state. The center-based industry on which this report focuses excludes school-based pre-kindergarten programs and is over 90% private sector. It includes for-profit and not-for-profit child-care centers, Head Start programs, and stand-alone preschools and nursery schools. This report looks at trends for two different groups of center-based staff. “Early childhood educators” includes all occupations with primary responsibility for children, such as center directors (also called administrators), teachers, assistant teachers, and teacher aides. The second group includes just teachers plus administrators. (The report pools all early childhood educators to increase sample size and combines teachers with administrators for the same reason.)

***A higher share of center-based educators has a high school degree or less since 1990.*** The share of Wisconsin center-based educators with a high-school education or less fell from 37% in 1980, to 26% in 1990, but then climbed back up to 36% in 2000 and is even higher by 2000-04.

***In the year 2000, about one in five center-based early childhood educators in the Milwaukee area and one in six in the Madison area had a college degree or more.***

***Education levels are lower still in home-based ECE.*** In Wisconsin home-based ECE in 2000, only 13% of educators had a college degree or more and nearly half had a high school degree or less.

***Low wages and benefits help explain ECE education levels.*** The fall in the education levels of center-based early childhood educators is related to median pay that remains about \$9 per hour—some \$19,000 per year for a full-time worker—and a lack of health care and pension benefits.

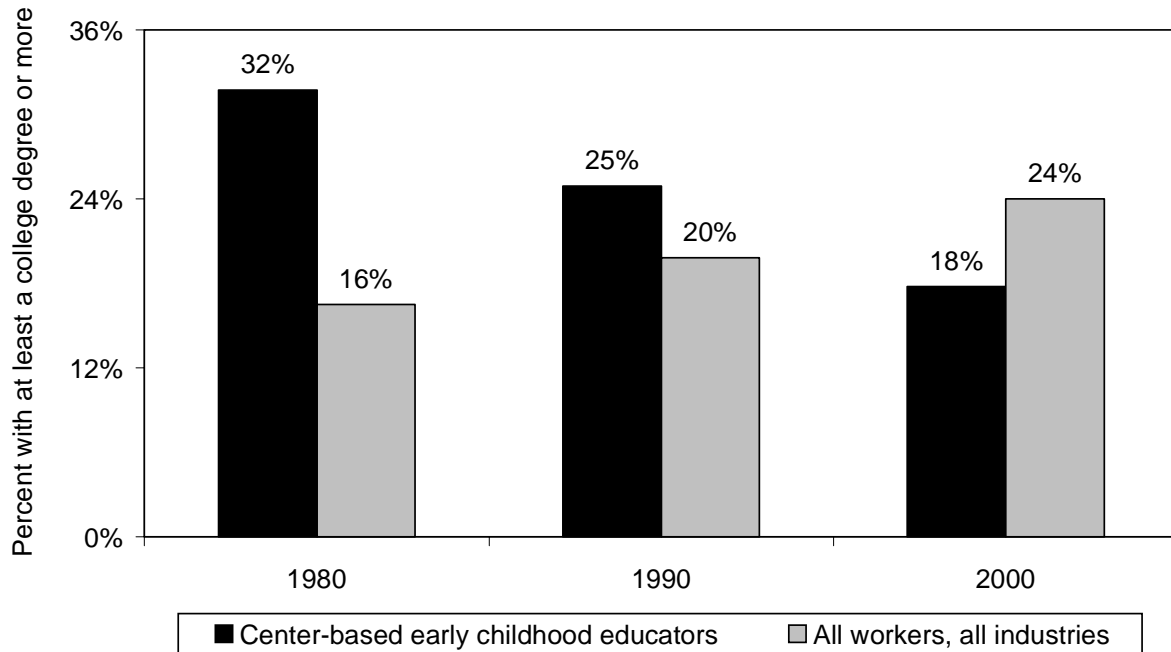
The story that emerges from the data is that the position of center-based ECE in the Wisconsin labor market has changed for the worse since 1980. As the field has expanded from 4,000 in 1980 to over 20,000 today, female college graduates have experienced expanding career opportunities in other fields and, in some families, greater economic need (over 95% of the ECE workforce is female). As a result, center directors often find that they must hire individuals with low education levels and no specialized training in early childhood development.

Wisconsin and the nation need a new approach to preparing early childhood educators who can help children succeed. The new approach must establish high standards for all teaching staff and increase compensation to attract and retain teachers who can meet high standards.

This issue brief is a companion to *Losing Ground in Early Childhood Education*, a companion study that looks at national trends and which is available on the Web sites of the Economic Policy Institute ([www.epi.org](http://www.epi.org)), the Foundation for Child Development ([www.fcd-us.org](http://www.fcd-us.org)) and the Keystone Research Center ([www.keystoneresearch.org](http://www.keystoneresearch.org)).

**FIGURE A**

**The decline since the 1980s in the four-year college degree attainment of Wisconsin's center-based early childhood educators**



Note: The differences between the share of center-based early childhood educators in 2000 and the same shares in 1980 and 1990 are significant at the 1% level.

Source: KRC analysis of Census data.

### Educational levels in center-based ECE down since 1980

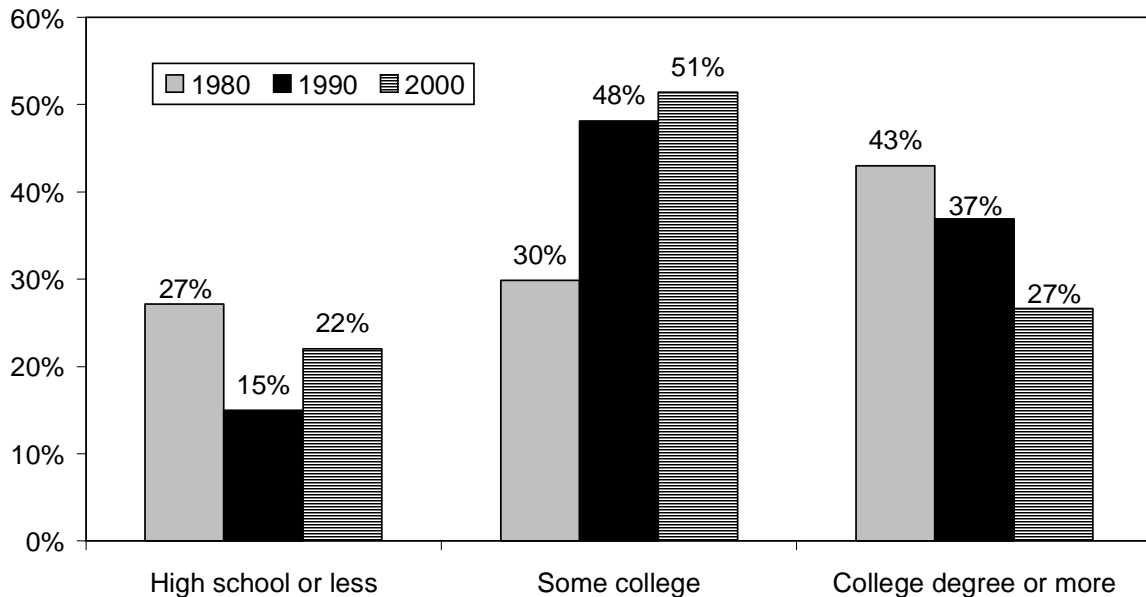
In Wisconsin as in the rest of United States, the educational attainment of center-based early childhood educators has declined since 1980.

- The share of early childhood educators in Wisconsin with a four-year college degree fell from 32% in 1980 to 25% in 1990 to 18% in 2000 (**Figure A**). According to CPS data, the share with a college degree was even higher in the mid-1980s.<sup>2</sup>
- The share with a high school education or less dropped from 37% in 1980 to 26% in 1990, but then increased back up to 36% in 2000. The CPS also shows the share with a high school degree or less dropping below 30% in some periods in the 1980s and 1990s, but then climbing back up to 40% in the last several years.

The educational attainment of center-based early childhood educators has dropped even more relative to the education of the workforce as a whole (Figure A).

**FIGURE B**

**Changes in education attainment among Wisconsin's center-based ECE teachers and administrators**



Note: The changes between 1980 and 2000 in the shares with a college degree or more, a high school degree or less, and some college are all significant at the 1% level. The changes between 1990 and 2000 in the the share with a college degree or more and a high school education or less are significant at the 5% level.

Source: KRC analysis of Census data.

- Two decades ago, Wisconsin center-based early childhood educators were more than twice as likely to have a bachelor's degree as workers on average. In the most recent data, center-based educators were substantially less likely to have a college degree.

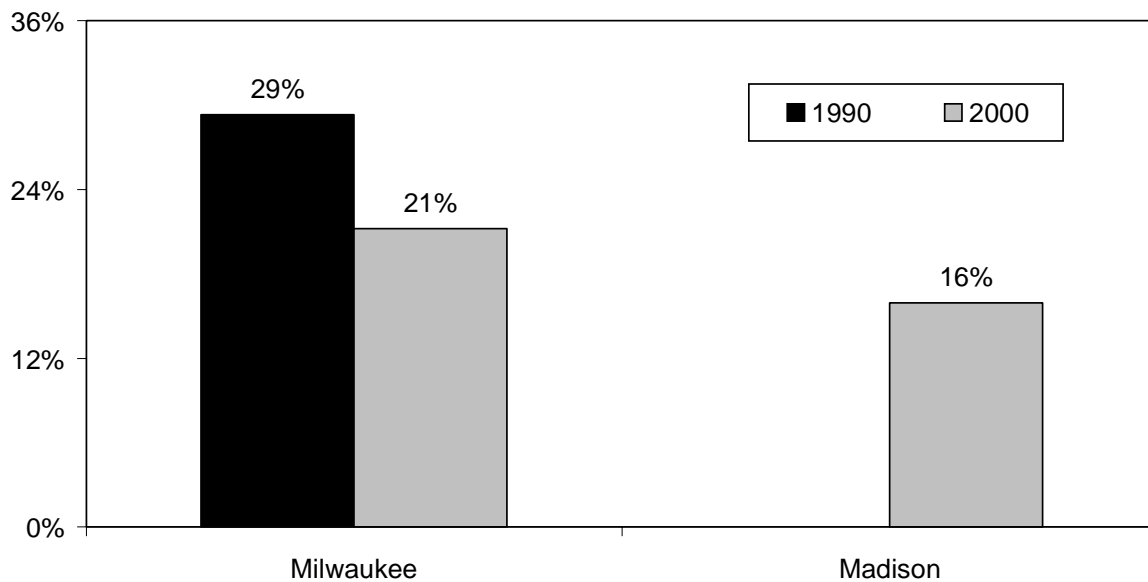
**College degree attainment also lower among center-based teachers and administrators**

The trends in educational attainment are similar when we narrow the focus from all center-based early childhood educators to just teachers and administrators.

- According to the Census, the share of teachers and administrators with a college degree declined from 43% in 1980 to 27% in 2000 (**Figure B**).<sup>3</sup> The 2000 figure is similar to the national level of 30%.
- At the lower end of the educational attainment spectrum, 22% of center-based Wisconsin teachers and administrators had a high school degree or less in 2000, compared to 15% in 1990 and 27% in 1980.<sup>4</sup> The 2000 figure was again similar to the national level of 24%.

**FIGURE C**

**Low levels of college degree attainment in Wisconsin's major metropolitan areas**



Note: The difference between 1990 and 2000 in Milwaukee's share with a college degree or more is not statistically significant.

Source: KRC analysis of Census data.

With the share of center-based teachers and administrators with high or even low levels of education declining, Wisconsin by 2000 had 51% in the middle range, with more than a high school education but less than a four year degree. However, only a fourth of these, 13% of all teachers and administrators, had completed a (usually) two-year associate's degree. Adding this group to the college-educated one, only 39% of center-based ECE teachers and administrators had completed a two-year degree or more in 2000.

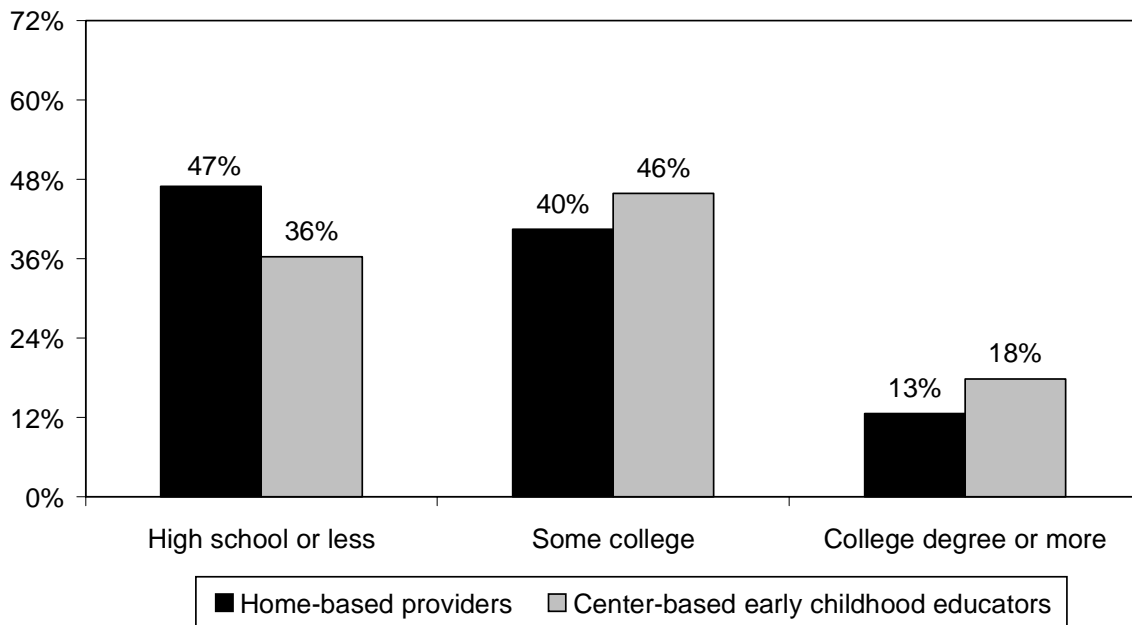
**Education levels low in Wisconsin's two large metropolitan areas**

By the year 2000, according to the Census, well under a quarter of center-based early childhood educators in both the Milwaukee and the Madison metropolitan areas had a college degree (**Figure C**).

- In Milwaukee, the share with a college degree declined from 29% in 1990 to 21% in 2000, although this difference is not statistically significant.
- In 2000 in Madison, only 16% of all center-based early childhood educators had a college degree or more. (Reliable data are not available for Madison for 1990.)

**FIGURE D**

**Education levels even lower in home-based ECE in Wisconsin, 2000-04**



Note: The differences between the share of center-based early childhood educators and home-based providers with a high school education or less and with a college degree or more are each significant at the 1% level. The difference between the two groups in the share with some college is significant at the 5% level.

Source: KRC analysis of Census data.

**Education levels even lower in home-based ECE**

Education levels are even lower in home-based ECE in Wisconsin than in center-based (**Figure D**). (Both the Census and CPS show home-based ECE to employ 12,000-14,000 workers in or since 2000.<sup>5</sup>)

- In 2000, only 13% of Wisconsin home-based ECE workers had a college degree or more. (The CPS for 2000-04 shows this share at just 8%.)
- Nearly half of home-based ECE educators had a high school degree or less in 2000.

**Low wages and benefits help explain educational attainment in ECE**

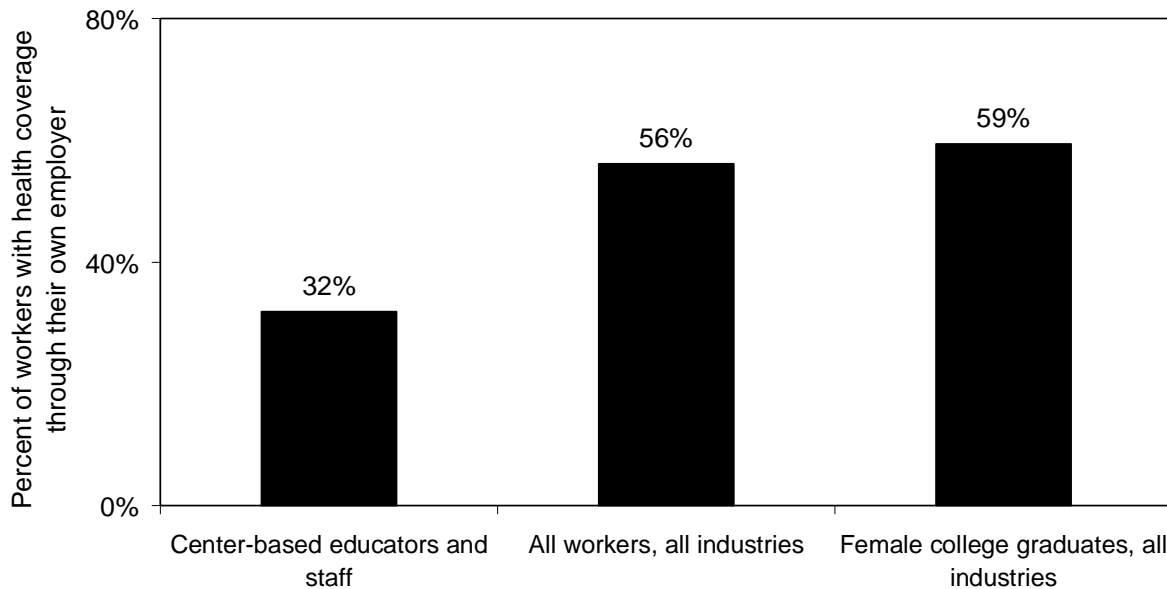
Since the 1980 the wages and benefits of Wisconsin center-based early childhood educators have remained stuck relative to those of other workers.

*Wages*

- According to the Census, center-based early childhood educators have consistently earned 56% or less of the wages of all Wisconsin workers. In 2000, early childhood educators earned only \$8.22 compared to \$14.71 for all Wisconsin workers.

**FIGURE E**

**Compared to other workers, a smaller share of center-based early childhood educators in Wisconsin receive health insurance through their own employer, 2000-04**



Note: The differences in the share of center-based educators and staff with health coverage through their own employer and the same shares for all workers and for all female graduates are significant at the 5% and 1% level respectively.

Source: KRC analysis of the March CPS.

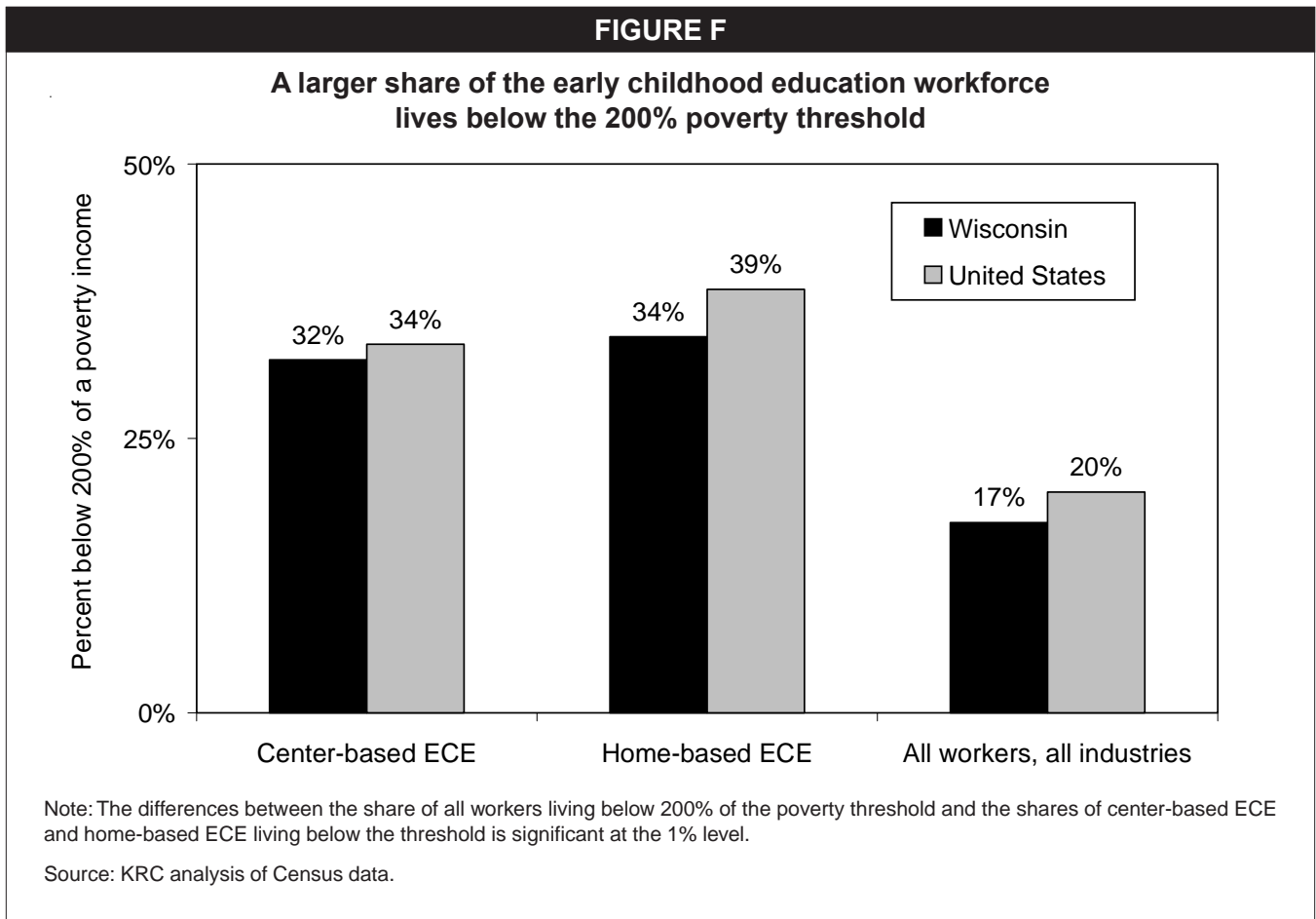
- Early childhood teachers and administrators earned a median wage of only \$9.34, just 50% of the \$18.62 median wage of all female college graduates.

***Health and pension benefits***

- About a third of Wisconsin center-based early childhood educators obtain health insurance through their job compared to 56% of all workers and a little over 59% of all female college graduates (**Figure E**).
- Sixteen percent of center-based early childhood educators had no health insurance coverage versus 10% of female college graduates.
- Only 13% of Wisconsin center-based early childhood educators participate in any kind of pension plan at work, versus 53% for all workers and 66% for all female college graduates.

***Share of workers below a basic necessity income***

- In 2000, 32% of all center-based and 34% of home-based early childhood educators lived below 200% of the poverty threshold compared to 17% of all Wisconsin workers. Two hundred percent of the poverty line is considered roughly equivalent to a minimally adequate basic income high enough to cover the cost of basic



necessities without public assistance (**Figure F**).

- ECE teachers and administrators in both Wisconsin and the United States were more than three times as likely to live below 200% of the poverty threshold as female college graduates.

### **New policies needed**

National data reveal that the most educated age cohort in ECE today is in its 50s, having entered the industry in the 1960s and 1970s. With opportunities for educated women expanding, and more families highly dependent on women's earnings, it has become harder to attract qualified teachers into ECE. As better-educated women in ECE retire, the difficulty of maintaining an adequately qualified ECE staff will grow that much more difficult. Industry demographics make it imperative that state and national policymakers act now to ensure the high teacher standards essential to long-term benefits from ECE programs.

A pragmatic and systemic approach to raising staff qualifications should not only mandate higher standards, but also include phase-in periods and research and evaluation that deepen our understanding of the long-

term benefits of different approaches to teacher education and professional development.<sup>6</sup>

Any approach to improving staff standards in ECE will fail unless it also raises compensation to keep more qualified people in the field. The present reality will persist, with many ECE staff having low education levels, no meaningful training in early childhood development, and no opportunities to learn from experienced and qualified peers. It is well past time to recognize that society can't afford not to pay more for ECE teachers. Only with public investment can the community as a whole reap the long-term benefits of high-quality early childhood education.

---

## Endnotes

1. These benefits include lower costs for subsequent education, increased taxes paid once children mature and enter the workforce, and reduced social costs (Lynch 2004).
2. The CPS college degree share peaks at 43% in the 1983-87 period. In recent years, the CPS shows college degree shares to be near the 18% found in the 2000 Census.
3. CPS data for Wisconsin show similar trends. According to the CPS, the college-degree share for Wisconsin teachers and administrators ranged from 43%-55% in all five-year periods starting after 1982 and ending before 1992. This share falls to 22%-28% in the last three five-year periods starting in 1998 and ending in 2004.
4. The CPS also shows larger shares of Wisconsin center-based educators with a high school degree or less at the beginning and end of the period examined than in the middle, but with the recent rise to above the starting point: i.e., the CPS high school or less share was 27% in 1983-87, 14%-20% in 1990-97, and 34%-36% in 1998-2004.
5. Industry experts believe that both the Census and CPS likely undercount home-based employment because they miss some unlicensed and unregulated providers.
6. See the national companion report, *Losing Ground in Early Childhood Education*, for elaboration of this recommendation, available online at [www.earlychildhoodworkforce.com](http://www.earlychildhoodworkforce.com)

---

## References

- Bowman, Barbara T., M. Suzanne Donovan, and M. Susan Burns, eds. 2000. *Eager to Learn: Educating Our Preschoolers*. Report of the Committee on Early Childhood Pedagogy, National Research Council. Washington, D.C.: National Academies Press. pp. 161-176.
- Lynch, Robert. 2004. *Exceptional Returns: Economic, Fiscal, and Social Benefits of Investment in Early Childhood Development*. Washington, D.C.: Economic Policy Institute.