Taking the Child Care WAGE$® Program Statewide

"Early childhood teachers are among the lowest paid even though we have one of the most important jobs. While we should be addressing this issue on a broader scale as a country, programs like WAGES help ease some of the financial burdens. I do wish it was more widely available in all counties of NC."

-WAGE$ participant

Problem: Even prior to the COVID-19 pandemic, the early childhood field was in crisis. In 2025, not only is the field still recovering, but the same long-standing challenges remain. To be part of the workforce themselves, many parents need early care and education for their children, and they want to support the successful growth and development of their children through this learning opportunity. Yet, they cannot afford to pay the true cost of care, and without other funding support, child care programs then cannot afford to pay their teachers a living, let alone a competitive, wage. This essential service is a public good, but teachers struggle financially to support themselves and their own families.

Child care employers have difficulty hiring and retaining staff, especially the quality staff children need. The turnover rate of early childhood teaching staff in 2019, even before COVID, was 21%. According to **workforce data collected in 2023**, the turnover rate of full-time teachers and assistants is now 38%. To slow this growing turnover issue, compensation support is necessary.

Compensation is essential to build the early childhood pipeline and sustain the field. Investing in children means investing in their teachers during the early years when brain development is at its peak. Investing in the early childhood workforce is a direct investment in families, communities and the state's economy. One strategy that puts additional compensation directly into the hands of the early childhood workforce is the Child Care WAGE$® program.

"Without WAGE$, I don't know if we could retain our staff. I think turnover would be doubled and quality of care would go down significantly, as well as star ratings, as we must be able to retain our educated staff."

-WAGE$ participating director

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Solution: Support a statewide Child Care WAGE$® program for all 100 counties. WAGE$ is an education-based salary supplement program for early educators. Payment amounts increase with increased education and payments are offered after six months are completed in the same child care program. WAGE$ provides compensation that helps build quality by enhancing both the education and the retention of the workforce. The FY25 turnover rate of WAGE$ participants was only 13%, which reflects a strong level of stability for children during a time of notable flux in the field.

The program is currently funded in 68 North Carolina counties that have elected to invest their Smart Start dollars in the supplements. Early educators in all NC counties deserve to have this opportunity, making statewide funding critical. A proposed scale would offer annual supplement amounts ranging from at least $600 to $4000, issued in two six-month installments. WAGE$ counties that funded this scale in FY25 offered an average six-month supplement of $1,227.

"WAGE$ is very important. Child care is not a high-paying job, and without WAGE$ I would struggle to pay monthly bills. I am a single mother who solely supports our household, and I would have to find another career to stay afloat if it wasn't for the supplement every six months."

-WAGE$ participant

The Child Care WAGE$® program cannot solve the compensation issue and it does not change the hourly rates provided by employers, but it is a key strategy that the state can support that will provide enhanced compensation directly to early educators and has wideranging benefits. Adequate funding is necessary to ensure that additional early educators can be served by this program.

A budget of $53 million to cover two years would enable the current WAGE$ program to expand into additional counties in year one ($24 million) with further growth offered in year two ($29 million). After this two-year period, WAGE$ will have access to program data that can better predict future full funding needs. At this time, it is anticipated that $36 million would be needed in year three and annually thereafter.*

*This estimate is based on 2023 workforce data collected by Early Years. It represents a significant percentage of the eligible population and assumes infant-toddler educators would be included (now funded by AWARD$ Plus). The estimate includes supplements and administrative costs.