

Child Care Workforce in Michigan: Understanding and Addressing Recruitment and Retention Issues



Michigan faces extreme shortages of teachers in early childhood care and education (ECCE; Sorenson, 2022). Low staff wages are one factor that is driving Michigan’s ECCE workforce challenges. In 2019, the median hourly wage for the state’s childcare workers was \$11.13, making the providers among the lowest wage earners in Michigan (McLean et al., 2021). This fact aligns with national trends; a recent nationwide survey of childcare providers found that 80% of centers identified wages as their primary recruitment challenge (National Association for the Education of Young Children, 2021). The poverty rate for early educators in Michigan is 18.9%, which is higher than for Michigan workers in general (10.8%) and about seven times as high as for K–8 teachers (2.6%; Gould et al., 2020). The same challenges in Michigan occur across the United States. Approximately one of every five childcare providers nationwide lives in poverty, and many are eligible for some type of public assistance (McLean et al., 2021). Low wages also contribute to retention challenges; according to one recent study, low wages contribute to nationwide staffing turnover rates as high as 25% to 39% (Caven et al., 2021).

In 2020, the Michigan Department of Education’s (MDE’s) Office of Great Start received federal continuation funds for the Preschool Development Grant from the Administration for Children and Families at the U.S. Department of Health and Human Services. To further the state’s goal to make Michigan the best state to raise a family, MDE contracted with the American Institutes for Research® (AIR®) to conduct a [statewide needs assessment](#) to understand the issues faced by the state’s mixed-delivery system, which highlighted ECCE workforce challenges. To gather additional information about the status of Michigan’s workforce, AIR explored the factors driving these workforce challenges in Michigan and how they are being addressed. The study included the use of Michigan’s Child Care Stabilization Grant, a noncompetitive grant for childcare providers to help stabilize operations and support the health and safety of children and staff (MDE, 2022). Through this grant, the state invested \$730 million in the ECCE sector in 2021–22.

This study used focus groups with childcare providers as well as a survey of prospective childcare providers—defined as people who had completed a degree or certificate related to ECCE within the last 12 months—to address four research questions. Data collection took place between May and July 2022.

RESEARCH QUESTIONS

1. Why do the current workforce challenges exist?
2. What strategies are ECCE programs using to find, attract, and retain childcare teachers?
What are prospective ECCE teachers looking for in an employer?
3. How have providers used Child Care Stabilization Grant funds to address workforce challenges?
4. What else do childcare programs need to retain and attract teachers?

DATA COLLECTION STRATEGIES

1. Focus groups with 13 center-based and home-based childcare providers representing the state's different regions. Discussion topics included workforce issues—specifically finding, hiring, and retaining staff for ECCE programs—and use of the Michigan Child Care Stabilization Grant.
2. Online survey of 21 prospective and current ECCE teachers who had completed a degree or certificate related to ECCE within the last 12 months. The survey addressed training experiences, career plans, factors that influence employment considerations, and preparation and training for—and confidence in—working with children with special needs and English learners.

Findings

This brief summarizes the major findings from the focus groups and the teacher surveys. The findings are organized according to the four research questions.

Insufficient salaries and benefits, along with a limited pool of qualified applicants, drive recruitment and retention challenges in Michigan's ECCE programs.

ECCE programs struggle to find enough qualified teachers to meet their needs. Despite various recruitment strategies, according to the focus group participants, some communities do not have enough trained and qualified people to fill open positions. A program administrator in one focus group explained how difficult it was for her to find high-quality teachers, adding, “We are just sorely lacking in anybody to hire. That was the biggest barrier that I found when we were trying to hire teachers—that hardly anybody applied, and [I] didn't always like all the applicants that did apply.” A few focus group participants found it difficult to staff leadership positions, such as lead teachers or program directors, because of the qualifications required. For example, a program director in one focus group said,

The lead teachers are the hardest to come by . . . If I need a lead teacher, they will [need] some time to get their credentials. I've been hiring them without [credentials] and paying for them to get some kind of education to qualify.

"Why is there a national teacher shortage? The compensation is not there. The benefits are not where they need to be."

"It's the rate of pay. That seems to be the big thing. If they see the signs that McDonald's is starting at \$15 an hour, or Target is paying your college education . . . well, they see that as a better perk than what I can offer."

Low wages and limited benefits do not attract qualified applicants to ECCE positions, and only a limited number of full-time positions are available to candidates. For example, an administrator in one focus group shared,

Being a nonprofit, the majority of our tuition goes to payroll. Typically speaking, what our teachers and preschool providers receive in our school, compared to outside, is going to be at least between 30 to 40 percent less [than publicly funded programs].

In addition to recruitment issues, low compensation drives high levels of staff turnover in Michigan's ECCE programs, according to the focus group participants. As one administrator explained,

We can't offer our aides benefits. They don't work full time. Our agency can't compensate them for that. We don't have the funds and the ability to do that type of program for them. . . . I know we would retain them if we could offer that type of benefit package for them.

Challenges with low wages, limited benefits, and staff turnover are magnified for infant and toddler classrooms relative to classrooms serving older children. The focus group participants noted that it is more expensive to offer infant/toddler programming because of licensing requirements for lower child-to-staff ratios and overall class sizes. Therefore, some providers said they felt unable to support full-time staff. A program administrator in one focus group explained,

For the infant and the toddler [classrooms], unfortunately, we don't have full-time positions because of the health insurance. Because of the number of students that are allowed in the room, we don't have enough students to generate enough income for us to support being able to afford health insurance for the full timers and that's primarily it.

Although providers would like to provide their staff with more competitive salaries and benefits, doing so often is not an option. Tuition-based programs are limited by tuition costs; in many communities, programs cannot charge families more because families already struggle to afford care.

Providers use a variety of recruitment strategies, the most common being word of mouth among trusted messengers.

Word of mouth, particularly in small communities, is an effective recruitment strategy, according to the focus group participants. Several providers also mentioned posting job opportunities online, such as using social media (e.g., Facebook), an employment website (e.g., Indeed), or their own program’s website. Providers also described other ways they find potential staff, such as working with a local community college or school district, advertising in the local community, or reaching out to former students.

Prospective teachers—those who had completed a degree or certificate related to ECCE within the last 12 months—provided similar feedback as current providers. In a survey, they were asked to indicate which resources or strategies they might use to look for a job in an ECCE program. As with the focus group participants, the majority of respondents noted they would use referrals from friends or family members or online job posting websites. In addition, some respondents reported that they would use referrals from current education programs.

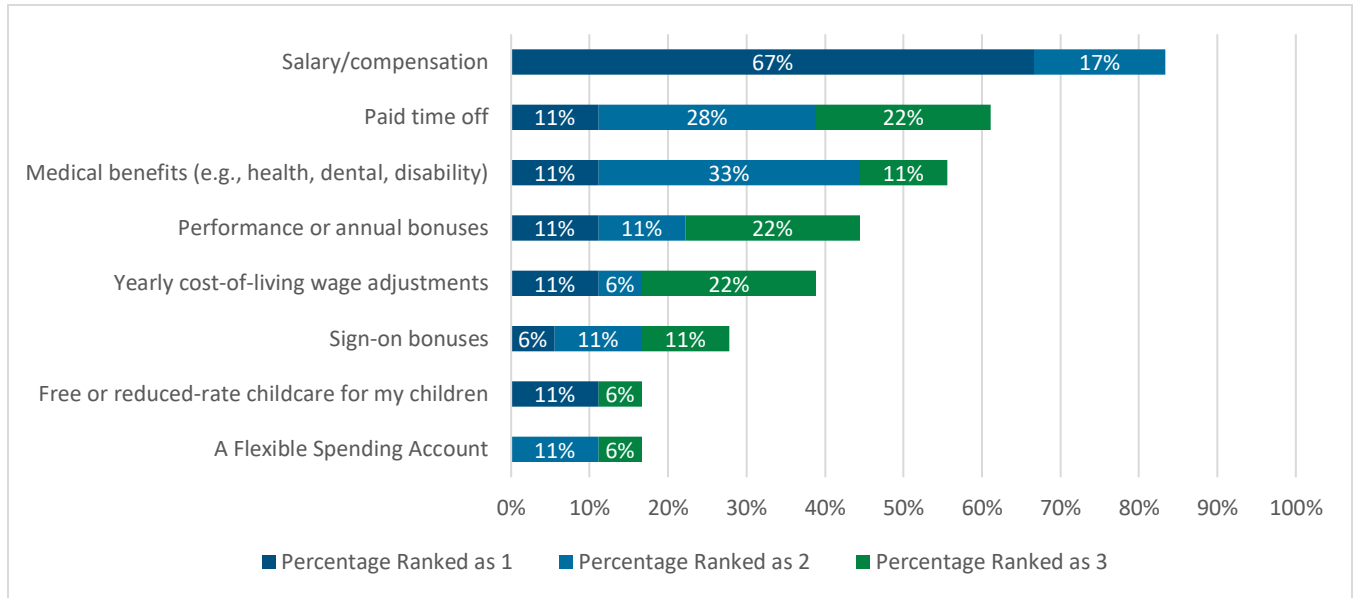
Offering competitive compensation, benefits, and a positive work environment can help attract and retain qualified ECCE staff.

The focus group participants emphasized that low compensation were the most significant driver of workforce challenges. Only a few participants said they could offer sufficient salaries and benefits; these providers reported that this helped with their recruitment and retention efforts. For example, a Great Start Readiness Program administrator described how their program paid higher wages than others in the community:

I think the wage is very competitive for a Great Start Readiness Program. It’s one of the things that attracted me to that role. I know that that’s a large piece of it. [The program] had to make [wages] competitive because they kept losing all of their preschool teachers to higher education in local schools.

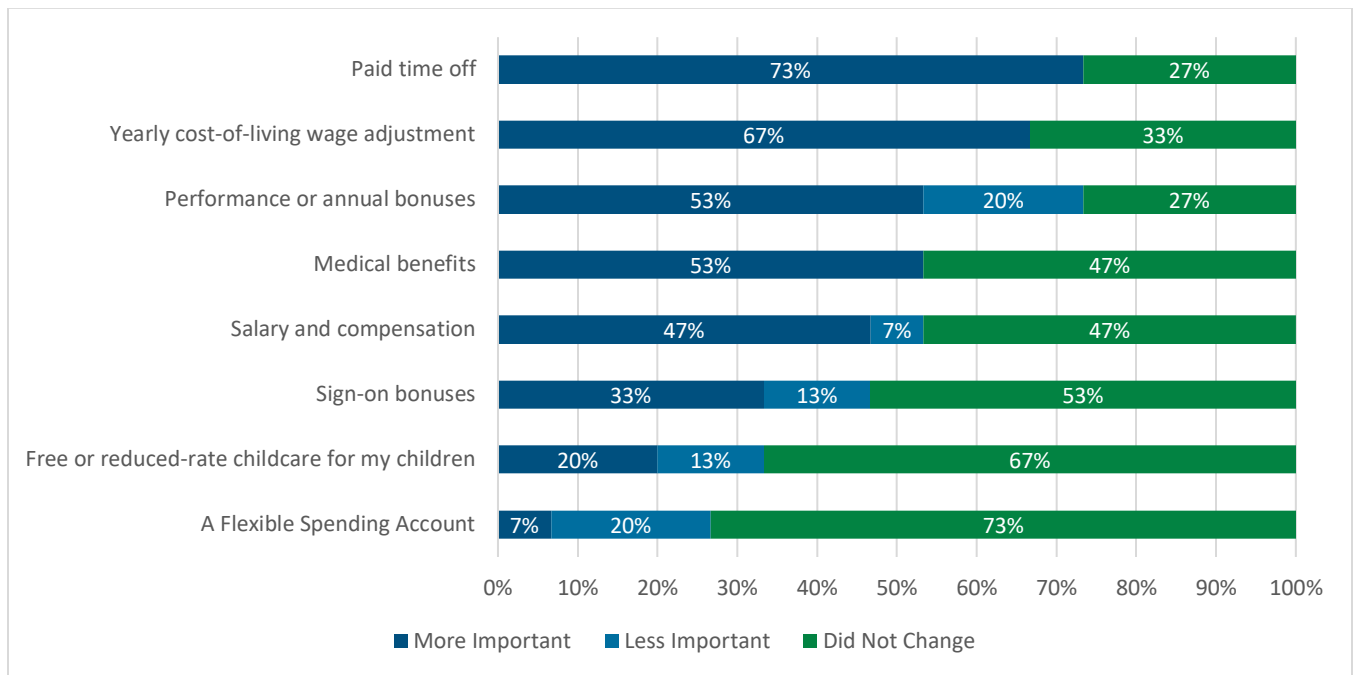
In the survey of prospective ECCE teachers, respondents were asked to rank a list of salary and benefit offerings from the greatest to least importance when considering a job opportunity. Similar to what we heard from the focus group participants, salary and compensation were of greatest importance. Two of three respondents (67%) rated salary and compensation as the most important offering (Exhibit 1), and nearly all teachers (84%) ranked it among their top two offerings. When asked why they ranked “salary/compensation” as most important, several noted the importance of a living wage and the fact that K–12 teachers earn more. As one respondent explained, “ECE teachers who have earned a degree deserve to be fairly compensated for the work that they perform. Currently, there is a large pay gap between ECE teachers and other teachers.” Other important offerings included paid time off and medical benefits (e.g., health, dental, disability), which more than half of the participants selected as one of their top three choices.

Exhibit 1. Compensation is the most important factor for prospective ECCE teachers in their job search.



Some priorities concerning salaries and benefit offerings shifted during the COVID-19 pandemic. Survey respondents were asked whether the importance of various offerings increased, decreased, or did not change when considering a job in ECCE during the COVID-19 pandemic. As shown in Exhibit 2, three of four respondents (73%) reported that paid time off became more important—not surprisingly—given the pandemic. Most respondents said that salary/compensation was equally or more important, during the pandemic than before, underscoring the importance of this issue for those seeking jobs in the ECCE sector.

Exhibit 2. Paid time off and cost-of-living wage adjustments became more important to prospective ECCE teachers during the COVID-19 pandemic.



A positive work environment also can influence retention and recruitment in ECCE programs.

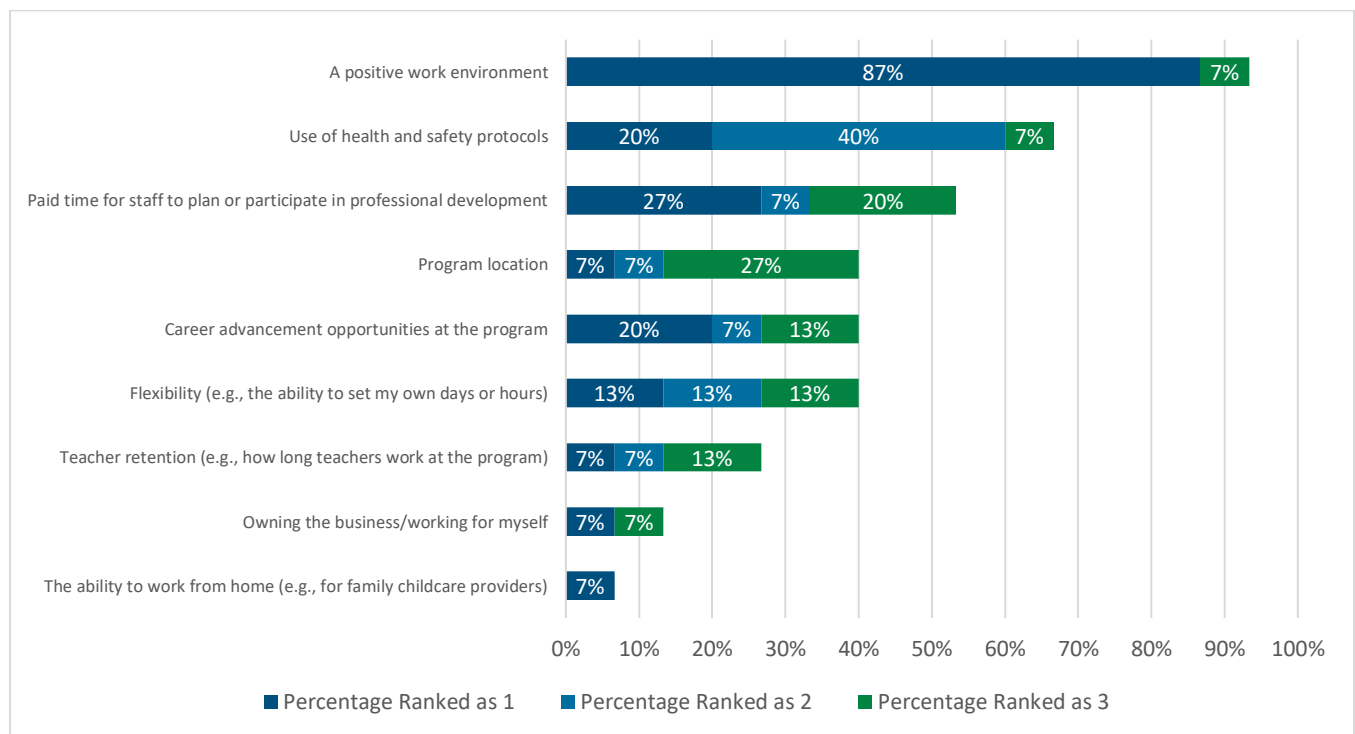
Beyond ensuring adequate compensation, the focus group participants stressed the importance of promoting a positive work environment to recruit and retain staff. Program staff shared their strategies in this area, including promoting strong relationships among staff. For example, one program director said she organizes monthly staff outings and provides occasional perks, such as small bonuses, before staff go on vacation. She explained, “There’s only 10 of us, so we’re kind of all close . . . It’s like family. We try to hire people that kind of fit into that group with us, and we all work together.” Focus group participants also described their work to honor their staff’s personal lives and commitments. For example, one program administrator said her program’s low turnover rate is caused, in part, by its emphasis on various benefits of its “family-oriented” approach. In addition to health insurance for full-time staff, her program offers tuition support for staff with young children and accommodates schedules affected by family demands and needs. “People always have family issues that come up,” she said.

We’re very understanding. If they have a mom or a dad that they need to take to a doctor’s appointment, we don’t dock pay. If there are issues that happen where they’re trying to balance a healthy family and work life, we’re really supportive of that. And so we have a very low teacher turnover rate.

Prospective ECCE teachers also value a positive work environment. As shown in Exhibit 3, when survey respondents were asked to rank the importance of various characteristics of a prospective workplace,

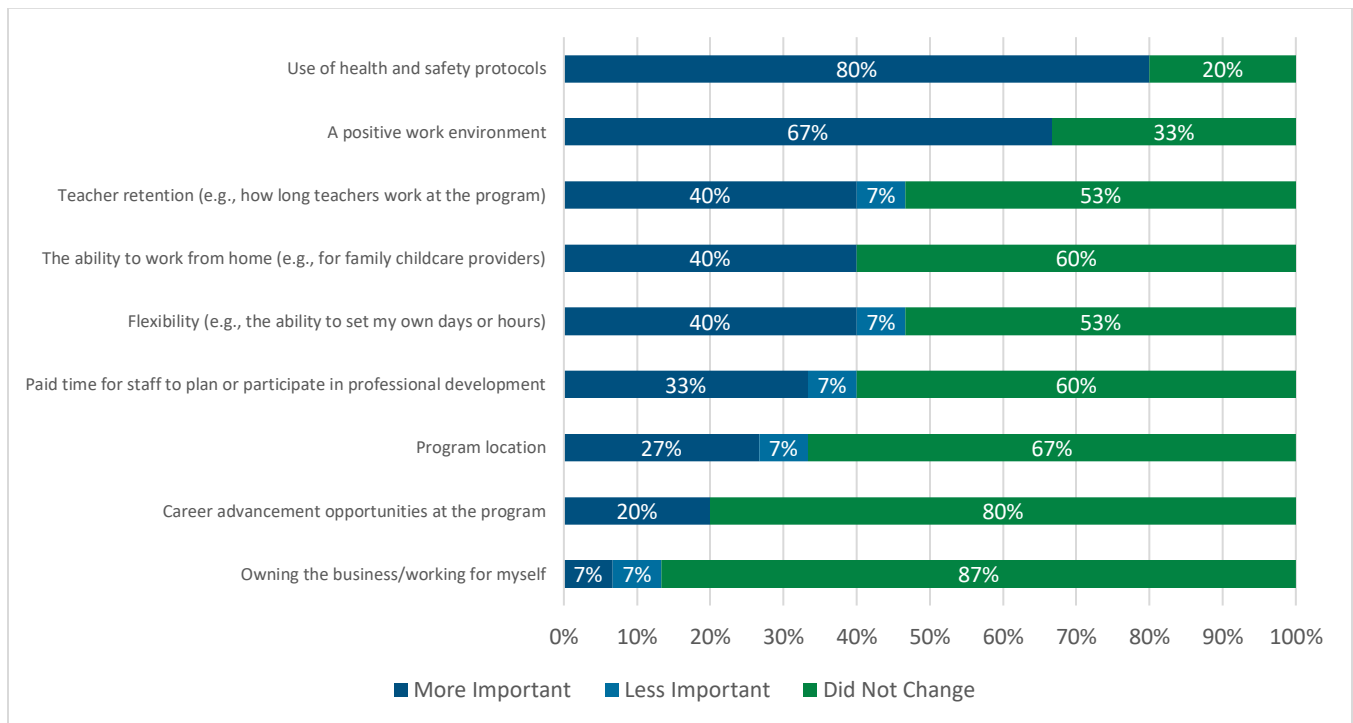
the majority of survey respondents (87%) ranked “a positive work environment” as the most important characteristic of a potential employer. Respondents indicated that a positive work environment was important for staff, as well as children. One survey respondent wrote, “I want to work in a place that I feel safe, welcome, and included in, so I can enjoy going to work and feel supported by my coworkers.” Another respondent reported, “Children must be exposed to positive role models, and the dispositions and relationships between the teacher/adults in their lives are vastly important to the quality of their school experiences.”

Exhibit 3. A positive work environment is the most important characteristic for prospective ECCE teachers in their job search.



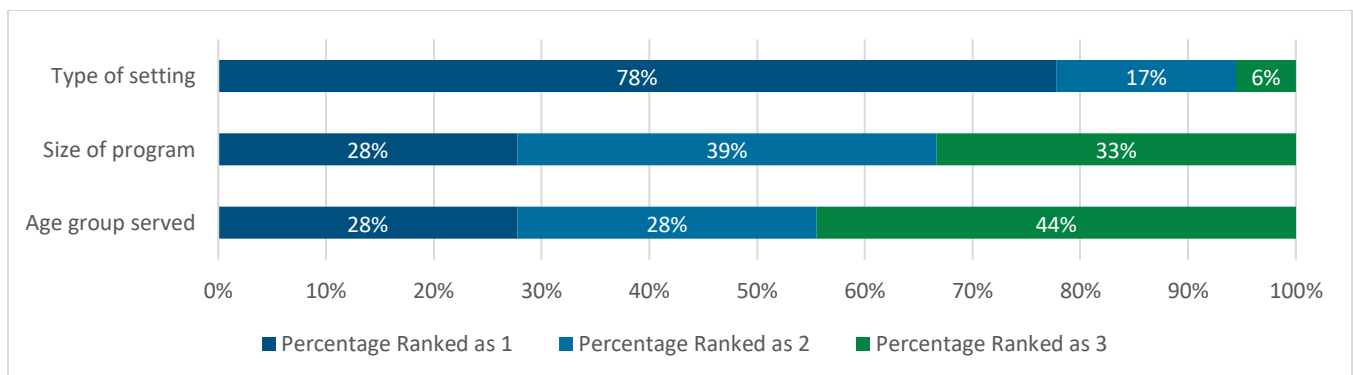
We also asked prospective teachers if and how their priorities for employment shifted during the COVID-19 pandemic (Exhibit 4). Survey respondents were asked whether the importance of various characteristics of a prospective workplace increased, decreased, or did not change when considering a job in ECCE during the COVID-19 pandemic. Not surprisingly, a large majority (80%) reported that “use of health and safety protocols” became more important during the pandemic; however, the importance of other characteristics also increased during this time. For example, the majority of respondents (67%) said that “a positive work environment” became more important during this period.

Exhibit 4. Prospective teachers valued health and safety protocols and a positive work environment more because of the COVID-19 pandemic.



Survey respondents also were asked to rank a list of three key program attributes from the greatest to least importance when considering a job opportunity. About three quarters of the respondents (78%) rated “type of setting” as the most important factor, followed by “program size” (28%) and “ages served” (28%; Exhibit 5). Prospective ECCE teachers appeared to value settings where they knew what to expect in terms of policies and practices, according to open-ended responses. For example, one respondent said, “I think the setting has a lot to do with the work environment and what policies and expectations are in place.” A second respondent shared, “I like working with center-based programs because of the other support staff and training available.”

Exhibit 5. The type of setting is most important to prospective ECCE teachers.



Providers used Child Care Stabilization Grant funds to increase salaries, hire staff, and provide bonuses.

Several focus group participants said they used the grant money to increase salaries for some or all of their staff and provide performance bonuses. For example, one program director said they used the grant funds for a 5% pay increase and a \$1,000 performance bonus for all staff, regardless of their part- or full-time status. Other focus group participants used the grant to hire staff to support teachers and caregivers (e.g., nurses to facilitate COVID-19 testing, staff to manage the extensive cleaning required to address the pandemic). Finally, some focus group participants used the funds to hire substitute teachers, which have been in great demand given the workforce needs during the pandemic.

Focus group participants also used grant funds for recruitment, such as offering hiring bonuses. One program administrator offered a \$1,000 signing bonus to prospective full-time staff through online job postings. A second strategy was offering higher salaries to job candidates. One program director said, “The Child [Care] Stabilization Grant allowed us to increase the wages. We went from \$11 an hour to \$13 an hour. And then it really attracted people.” Another program administrator said the grant “was really a lifesaver. We were really able to offer compensation that we would not have been able to offer in the past.”

Providers need increased and sustained funding, more teacher preparation programs, and more professional development opportunities to effectively attract and retain staff.

Overall, the focus group participants said they need increased and sustained funding to offer competitive wages and benefits to better attract and retain staff. Grant funding such as that offered through the Child Care Stabilization Grant is helpful; however, sustainable funding also could fund these and other strategies on a long-term basis. For example, one program administrator said she would have closed her ECCE program without the grant money. At the same time, she added that given the cost of running her business, she was unsure how much longer she could remain open.

In addition to suggesting a livable wage, the focus group participants provided other ideas to increase the qualifications of prospective teachers. Many participants said more could be done to bolster teacher preparation programs and incentivize students pursuing a job in the ECCE field. For example, one program administrator who struggled to find teachers in her community recommended providing incentives to prospective students in school and offering courses in their local high school. Another program administrator said additional funds could support alternative teacher certification programs for those who are not yet certified.

Both focus group participants and survey respondents reported that increasing professional development opportunities for current staff on particular topics might help retention. One focus group participant noted, “We get a lot of staff that have no skills coming in, and it’s hard. We have an inclusion program. And if [staff] don’t have those skills or the training to teach them, they burn out

really quickly.” Similarly, although the majority of survey respondents had received training to work with children with special education and/or health care needs, about a third of the survey respondents did not feel very confident serving these children. High-quality, focused training might improve confidence and, in turn, retention.

Conclusion

The overwhelming finding from this study was that compensation is the driving factor in workforce recruitment and retention, according to both ECCE administrators and prospective ECCE teachers. Insufficient salaries and benefits were the reasons why programs had trouble finding and hiring qualified staff, many of whom have been attracted to ECCE programs that offered better packages. Some providers emphasized that these issues were compounded in infant/toddler programs, given the higher costs to run these programs. In addition to compensation and benefits, administrators and prospective teachers indicated that a positive work environment can attract and retain teachers. The Child Care Stabilization Grant has provided programs with short-term assistance; ideally, however, a long-term, sustainable source of funding is necessary to address the root causes of Michigan’s ECCE workforce challenges.

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