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Early Educators' Wage Growth Lagged Behind Other Low-Paid Occupations, Jeopardizing the Supply of Child Care as Relief Dollars Expire

The pandemic laid bare and exacerbated a quiet child care crisis that was already unfolding in communities across the country, with families facing unaffordable prices, early educators making poverty wages, and [over half](#) of people in the United States living in a child care desert without sufficient supply.

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, provided the size and scale of relief needed to save the child care industry from collapse, including \$24 billion for child care stabilization grants and \$15 billion in supplemental child care discretionary funds.

These resources were a lifeline. According to [the Administration for Children and Families](#), over the course of the pandemic, the relief dollars reached 220,000 child care programs – serving up to 10 million children and their families. Similarly, with the help of the \$15 billion in supplemental Child Care and Development Block Grant (CCDBG) discretionary funding provided through ARPA, states have made [significant improvements](#) to their child care assistance programs, making assistance more available and more generous for families and offering greater support to the child care early educators that serve families receiving assistance.

Yet these improvements are in jeopardy as the stabilization funding expires on September 30, 2023, with the supplemental Child Care and Development Block Grant Funding funding set to expire on September 30, 2024.

If the stabilization dollars expiring would return us to a pre-COVID status quo, that would be bad enough. But over the past three years, the economy—and specifically the low-wage labor market—has fundamentally changed in ways that will **leave the child care industry even worse off than its pre-pandemic precarity**. While other low-wage sectors have been able to raise wages and improve benefits on a permanent basis, the child care sector has only been able to do so temporarily.

For example, between 2019 and 2022 (the most recent year for which OEWS data is available), median real hourly wages for child care workers grew by only 3.1%—that's lower than the wage growth rate for food and beverage serving workers (8.7%), retail sales workers (5.6%), recreation workers (5.3%), and many other low-wage service occupations (see below).

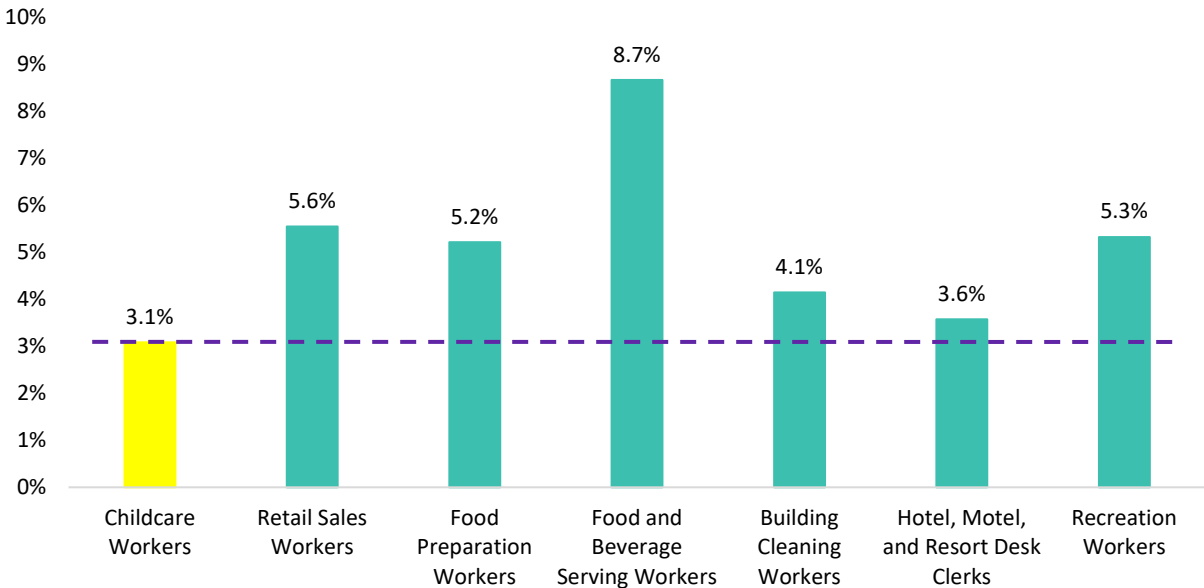
Employers in low-paying sectors have been able to raise wages to attract workers, whereas providers can't compete for workers without significantly raising costs for parents. As a result, **the child care sector is still facing 48,500 jobs compared to February 2020, even as most other sectors have rebounded.**¹

That child care wages grew at all is largely due to the relief dollars that enabled states to take steps such as increase pay or benefits for early educators or provide bonuses. Once those relief dollars disappear, providers will have no choice but to either retrench those modest pay increases or charge higher fees to families who are already struggling to afford child care.

That Median Hourly Wage by Occupation, 2019-2022 (adjusted to 2022 dollars)

	MAY 2019	MAY 2020	MAY 2021	MAY 2022
CHILDCARE WORKERS	\$13.30	\$13.95	\$14.35	\$13.71
RETAIL SALES WORKERS	\$13.51	\$14.40	\$14.97	\$14.26
FOOD PREPARATION WORKERS	\$13.61	\$14.28	\$15.03	\$14.32
FOOD AND BEVERAGE SERVING WORKERS	\$12.58	\$13.19	\$13.57	\$13.67
BUILDING CLEANING WORKERS	\$14.47	\$15.44	\$15.42	\$15.07
HOTEL, MOTEL, AND RESORT DESK CLERKS	\$13.42	\$13.98	\$14.66	\$13.90
RECREATION WORKERS	\$14.46	\$15.58	\$15.49	\$15.23

Median Real Hourly Wage Changes by Occupation, 2019–2022



Source: NWLC calculations based on U.S. Department of Labor, 2019-2022 May National Occupational Employment & Wage Statistics (OEWS) data series.

Notes: Hourly wages for each year have been adjusted to their 2022 equivalents using the CPI-U. Data for childcare workers are for SOC code 39-9011, Childcare Workers. This is defined as workers who “Attend to children at schools, businesses, private households, and childcare institutions. Perform a variety of tasks, such as dressing, feeding, bathing, and overseeing play.” OEWS data exclude self-employed individuals and thus may leave out a significant number of home-based childcare providers who tend to report the lowest wages among the ECE workforce. Data for Retail Sales Workers are from SOC code 41-2000, including cashiers, retail salespersons, counter and rental clerks, and parts salespersons. Data for Food Preparation Workers are from SOC code 35-2020, who perform a variety of food preparation duties other than cooking. Data for Food and Beverage Serving Workers are from SOC code 35-3000, including bartenders, fast food and counter workers, waiters and waitresses, and non-restaurant food servers. Data for Building Cleaning Workers are from SOC code 37-2010. Data for Hotel, Motel, and Resort Desk Clerks are from SOC code 43-4080. Data for Recreation Workers are from SOC code 39-9032.

The pandemic relief dollars were a lifeline when the child care sector was on the brink of collapse. States took necessary steps to ensure children of frontline workers could be safely cared for, prevent an even bigger loss of child care supply, and reduce family co-payments. While the worst of the pandemic is over, yanking these dollars away now does not amount to returning to an already precarious pre-pandemic status quo. The economy has changed, and child care providers cannot compete with other low-wage sectors raising wages absent robust and sustained public dollars. Congress must provide at least \$16 billion per year in emergency child care dollars to address the looming supply crisis, while laying the groundwork for the sustained and transformative funding needed to ensure that high-quality, affordable child care is accessible for all families and that the early educators who do such important work are adequately compensated.

1 NWLC calculations using Bureau of Labor Statistics, Table B-1 in June 2023 Employment Situation Summary. Figures are seasonally adjusted. Historical data for Table B-1 is available at <https://www.bls.gov/webapps/legacy/cesbtab1.htm>.