

# Using Short-Term Investments to Leverage Long-Term Sustainability: Supporting the Early Childhood Workforce with Federal Relief Funds

Susan Sarver, Ph.D., and Catherine Huddleston-Casas, Ph.D.

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## INTRODUCTION

In March 2020, COVID took hold in the United States and the nation began an experiment in flexibility and perseverance. The ensuing pandemic required everyone to adjust their patterns of daily life, upending assumptions about where workers work, where students attend school, and who is minding the children of employed parents. Like the rest of the country, the precarious financial tightrope upon which Nebraska's early care and education providers balanced for years began to fray. An already scarce resource for families and communities became even harder to find. As of July 2021, 13% of programs have closed statewide<sup>1</sup> and the number of workers in early childhood decreased by 1,510, a 14% decline<sup>2</sup>. Data collected from members of Nebraska's early childhood workforce in June 2020 revealed the following:

- Ninety-three percent of providers surveyed reported some reduction in income because of the pandemic, with 1 in 4 reporting their income reduced by over 50%<sup>3</sup>
- One in three providers applied for and received federal assistance from the CARES Act<sup>4</sup>
- The vast majority of providers surveyed (87%) said they would apply for future financial assistance if it were offered

To mitigate the economic impact of the pandemic, the federal government passed a variety of relief packages to provide fast and direct economic assistance for American workers, families, small businesses, and communities<sup>4,5,6,7</sup>. These funds allowed many businesses to remain open or reopen and enabled families to continue to work. Initially, funds were distributed as one-time payments designed to respond to such immediate needs as personal protective equipment and cleaning supplies. Subsequent packages were more broadly aimed at shoring up struggling businesses and stabilizing economic activity. Some policymakers at local, state, and federal levels were concerned that allocating one-time funds to ongoing expenses was ill-advised. Members of the early childhood workforce appear to disagree. Nationwide, early childhood professionals report the potential benefit of investments in the workforce, even if those investments are temporary, is better than failure to invest at all<sup>8</sup>. *One-time infusions of dollars can be leveraged to support long-term sustainability when those dollars are invested in the early childhood workforce.*

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<sup>1</sup> Lindsay Braddock, Nebraska Department of Health and Human Services (June, 2021), personal communication

<sup>2</sup> Bureau of Labor Statistics: bls.gov retrieved September 2021

<sup>3</sup> Daro & Gallagher, August 2020

<sup>4</sup> Coronavirus Aid, Relief, and Economic Security (CARES) Act, March 2020

<sup>5</sup> Coronavirus Response and Consolidated Appropriations Act (2021), December 2020

<sup>6</sup> American Rescue Plan (ARP) Act, March 2021

<sup>7</sup> The Elementary and Secondary School Emergency Relief (ESSER) Fund was established in March 2020 as part of the Education Stabilization Fund in the CARES Act

<sup>8</sup> [https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/blog/naeyc\\_july\\_2021\\_survey\\_progressperil\\_final.pdf](https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/blog/naeyc_july_2021_survey_progressperil_final.pdf)

## Opportunity in Nebraska

Recent work in Nebraska forges a path for investing in the early childhood workforce. *Elevating Nebraska's Early Childhood Workforce: Report and Recommendations of the Nebraska Early Childhood Workforce Commission (2020)* sets forth a vision that Nebraska will elevate the early childhood workforce to a priority profession benefiting all children from birth through Grade 3. Documenting the strengths of early childhood professionals as well as the challenges they face, the commission identified four goals to achieve this vision. The focus of the first goal is to ensure that children experience quality care and education in all early childhood settings. The second goal is focused on funding the early care and education system at the level required to meet the total cost of quality. The third and fourth goals aim to create an environment where communities across the state are committed to strengthening the early childhood workforce and are poised to act.

The critical role of the early care and education workforce in the daily lives of children and families, though evident to many, became undeniable when the pandemic interrupted the employment support infrastructure early care and education provides to local economies. *Further, a qualified early childhood workforce is the cornerstone of a quality care and education system. As such, an investment in an early childhood professional is an investment in each and every child that professional encounters.* Despite the significance of their role in the lives of young children, recruiting and retaining professionals with the required expertise and skill is hindered by low wages, complicated career pathways, and inconsistent regulations. Further, providers seeking to fulfill training requirements or pursue higher education must overcome associated financial barriers such as training fees, college tuition, and lost wages. The federal funds provided through pandemic relief packages offer a unique opportunity to address some of these challenges and sustainably invest in quality early care and education by strengthening the early childhood workforce.

With over \$200 million available in the American Rescue Plan for Nebraska, numerous proposals for spending the funds have been put forward for consideration. Four proposals provide Nebraska a unique opportunity to maximize long-term sustainability of quality early care and education by directly supporting the early care and education workforce. A brief summary of those proposals is presented in Table 1.

**Table 1**

LONG-TERM IMPLICATIONS	
<b>COMPENSATION PROPOSALS</b>	
<p><i>Education-based salary supplements:</i> Child Care WAGE\$® NEBRASKA<sup>9</sup> provides stipends to low-paid early care and education providers working with children birth – age 5 in licensed child care settings in Nebraska. The supplement to eligible providers is based on educational attainment and maintaining employment in community-based child care settings.</p> <p><i>Retention allowances:</i> Retention allowances address the shortage of early childhood professionals in the field and allow small businesses to be competitive in attracting highly qualified professionals. Allowances are paid to employees to continue their employment with licensed early childhood settings.</p>	<p>Finding ways to increase compensation of early care and education professionals is essential to keeping them in the field. Both expanding the number of salary supplements for qualified providers and creating allowances for loyalty to the field decrease the turnover that community-based child care settings confront when providers leave their positions for higher-paying options. Even the most dedicated professionals leave the field when they cannot afford to stay. And when they depart, they take expertise, experience, and relationships—all key to quality experiences for young children and their families—with them. Establishing quality early care and education is impossible if you are constantly rebuilding program staff.</p>
<b>EDUCATION PROPOSALS</b>	
<p><i>Professional development dollars:</i> State regulations require new hires to complete 45 hours of training within the first six months in their position and 12 hours of professional development annually thereafter. Professional development dollars address the need to expand the availability of quality-focused trainings, make these trainings more affordable to a greater number of providers across the state, and diversify the modalities of delivery.</p> <p><i>T.E.A.C.H. Scholarships:</i> T.E.A.C.H. Early Childhood® NEBRASKA<sup>10</sup> provides scholarships to help early care and education professionals complete coursework and make progress toward a degree in early childhood education. In addition to tuition, funds cover released time, substitute coverage for centers, and program fees. Students commit to remaining at their place of employment for at least one year post degree completion.</p>	<p>Providing supports for members of the early childhood workforce seeking professional development opportunities is a critical investment in quality early care and education. Both professional development dollars and T.E.A.C.H. scholarships provide funds to help alleviate the financial strain associated with investments in education and training. Though the importance of ensuring that young children experience quality care and education is recognized by providers across settings, the razor-thin margins of program budgets prevent owner-operators and center directors from absorbing education-related expenses for themselves or their employees. Dollars spent to strengthen the knowledge and skills of the early childhood workforce are an investment in the professionals and the programs, an investment that will benefit children and families in communities across Nebraska.</p>

<sup>9</sup> <http://www.nebraskaeyc.org/child-care-wagereg.html>

<sup>10</sup> <http://www.nebraskaeyc.org/teach-early-childhoodreg.html>

## Conclusion

Investment in education and training of the early childhood workforce, especially when partnered with compensation strategies designed to keep professionals in their positions, provides a solid foundation for quality in the long term. The four highlighted proposals leverage the one-time infusions of funds as an investment in people—people we know, people we trust to nurture and teach our children, people who make it possible for us to earn, spend, and support our local economies. To those who may argue that allocating one-time funds to ongoing expenses is ill-advised, we say not so fast. These may be one-time funds, but their strategic use provides Nebraska a unique opportunity to elevate and strengthen early care and education.

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