

Executive Summary

Hawai‘i’s child care workforce is in crisis. Low wages and high turnover are compromising program quality, decreasing child care options for families which limits their ability to fully participate in the workforce. Further, the crisis is hindering workforce participation in Hawai‘i. The economic ripple effects are significant.

Through focus groups with the early childhood education and care (ECEC) workforce and data collection and analysis of wages in competing fields, CELFE partnered with the Early Childhood Educator Excellence and Equity Project at the University of Hawai‘i at Mānoa to propose a salary scale. This work builds on and emerged as a recommendation from previous research done by RAND in 2022 on early childhood educators in Hawai‘i¹. It was also informed by the expertise of the Early Childhood Compensation Design Team, under Hawai‘i Careers with Young Children (HCYC) which is managed by the ECE³ Project. The scale sets target wages for child care workers who care for children in community-based settings. **A salary scale is a strategic, data-informed tool that can be used to design investments to stabilize and professionalize the early childhood workforce, while aligning compensation with qualifications and responsibilities.**

We urge legislative support to fund and implement a statewide salary scale and to ensure sustainable, equitable compensation for the ECEC workforce, and create sustainable growth and stability in Hawai‘i’s economy.

The Critical State of the Child Care Workforce

Economic and Social Importance

Child care is an essential infrastructure for Hawai‘i’s economy. **An estimated 65,000 adults with children under five in Hawai‘i’s workforce rely on nonparental care**, and access to affordable, stable, high-quality care is critical to their employment. Without it, parents, especially mothers, are forced to reduce hours, change jobs, or exit the workforce. These short-term disruptions often have long-term consequences². For example, research shows that women with advanced degrees who take an 18-month career break experience earnings losses of up to 41% 15 years later³. Loss of job-based health insurance, retirement contributions, and other benefits are also common when workers experience disruptions in employment.

¹ Karoly, L. A., Cannon, J. S., Gomez, C. J., & Woo, A. (2022, October 25). *Early childhood educators in Hawai‘i: Addressing compensation, working conditions, and professional advancement* (Research Report No. RR-A1908-1). RAND Corporation. https://www.rand.org/pubs/research_reports/RRA1908-1.html

² ⁱⁱ Compton, Janice, and Robert A. Pollak. 2014. “Family proximity, childcare, and women’s labor force attachment.” *Journal of Urban Economics* 79 (January): 72-90.; Gelbach, Jonah B. 2002. “Public schooling for young children and maternal labor supply.” *American Economic Review* 92 (1): 307-322.; Morrissey, Taryn W. 2017. “Child care and parent labor force participation: a review of the research literature.” *Review of Economics of the Household* 15 (1): 1-24.

³ Goldin, Claudia, and Lawrence F. Katz. 2008. “Transitions: Career and Family Life Cycles of the Educational Elite.” *American Economic Review* 98 (2): 363–69; Goldin, Claudia. 2014. “A Grand Gender Convergence: Its Last Chapter.” *American Economic Review* 104 (4): 1091–1119.



Investments in early childhood education and care yield a wide range of economic benefits. Nationally, child care interruptions cost employers an estimated \$375–\$500 per working adult due to absenteeism and turnover⁴. In 2018–2019, parents of two million children under age five had to quit, forgo, or significantly adjust employment due to child care issues⁵.

High-quality early childhood programs lay the foundation for lifelong success. Children in quality ECE settings perform better on grade school tests⁶ remain in school longer⁷, report lower rates of depression, experience better health⁸, and achieve higher earnings⁹. In Hawai‘i, where roughly 60,000 children under five have working parents, the benefits of ECE extend beyond individual children to their peers and communities.

To reap these potential benefits, the ECEC system requires a qualified, stable workforce—supported not only through professional development and education, but also through compensation that reflects their value and responsibilities.

The Wage Crisis

Despite their vital role supporting children's educational success and their parents' economic well-being, child care workers are among the lowest-paid professionals in the U.S. **42% of ECE workers rely on public benefits due to low wages. These low wages lead to widespread staffing shortages, perpetuating the challenge for working parents to find care for their children.** Low pay and high staff turnover also disrupt continuity of care, which is crucial to quality and child development.

According to a National Association for the Education of Young Children (NAEYC) survey:

- 56% of program directors report serving fewer children than they could:
 - 89% of directors cite lack of staffing as the reason;
 - 77% identify low wages as the primary driver¹⁰.

⁴iv Untapped Potential: Economic Impact of Childcare Breakdowns on U.S. States.” February 28, 2020. <https://www.uschamberfoundation.org/reports/untapped-potential-economic-impact-childcare-breakdowns-us-states>. The four states examined were Idaho, Iowa, Mississippi, and Pennsylvania.

⁵ Child and Adolescent Health Measurement Initiative, Data Resource Center for Child and Adolescent Health. 2018-2019. “2018-2019 National Survey of Children’s Health data query.” Retrieved August 17, 2021. <https://www.childhealthdata.org/>.

⁶ Cascio, Elizabeth U., and Diane Whitmore Schanzenbach. 2013. “The Impacts of Expanding Access to High-Quality Preschool Education.” *Brookings Papers on Economic Activity* (Fall): 127-178. <https://www.brookings.edu/bpea-articles/the-impacts-of-expanding-access-to-high-quality-preschool-education/>.

⁷ Bailey, M.J., S. Sun, and B. Timpe. 2020. “Prep School for Poor Kids: The Long-Run Impacts of Head Start on Human Capital and Economic Self-Sufficiency.” National Bureau of Economic Research Working Paper 28268.

⁸ Carneiro, Pedro, and Rita Ginja. 2014. “Long-Term Impacts of Compensatory Preschool on Health and Behavior: Evidence from Head Start.” *American Economic Journal: Economic Policy* 6 (4): 135-173. <https://doi.org/10.1257/pol.6.4.135>.

⁹ Thompson, Owen. 2018. “Head Start’s Long-Run Impact: Evidence from the Program’s Introduction.” *Journal of Human Resources* 53 (4): 1100-1139. <https://doi.org/10.3368/jhr.53.4.0216-7735R1>.

¹⁰ National Association for the Education of Young Children. (2024, February). *Survey on Early Childhood Educators’ Mental Health and Well-Being*. https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/2.24_n_aeyc_survey_press_release_final_1.pdf



In Hawai'i, the wage crisis is exacerbated by the state's high cost of living. The median salary for child care workers, \$36,440, is 41% below the living wage for a single adult with no children¹¹. For comparison, Seattle has a 34% gap. In Hawai'i, 95% of all occupations pay more than child care jobs, and **11.8% of ECE workers live below the federal poverty line**, compared to 6.7% of workers in other fields¹².

Early childhood programs operate on razor thin margins and are unable to offer much desired raises to the workforce without an increase in revenue, which is currently primarily parent tuition for most programs. Programs cannot increase revenue through the private market, due to being constrained by what families are able to pay. Care in Hawai'i is already unaffordable for most families, with the cost of center-based child care being between 9-14% of the median family income, depending on the child's age¹³. This issue is also demonstrated by providers' struggles to meet a rising minimum wage in Hawai'i. One provider said:

"The first time that they raised [the minimum wage] we couldn't do an across-the-board raise, and there was a lot of pushback about that. But ... I can't pull money out of nowhere to give people raises."

Because of these constrained budgets, **public investment is essential to increasing compensation and stabilizing the field**. This need is more urgent than ever as Hawai'i works toward its goal of serving all three- and four-year-olds in public pre-K by 2032. As more children and funding flow into the public pre-K system, pressure will grow for early childhood educators to shift into that sector. To preserve the already extremely limited supply of infant/toddler care, Hawai'i must identify a sustainable funding strategy for this age group.

Why a Salary Scale Matters

Salary scales are powerful tools that establish transparent, predictable compensation benchmarks based on qualifications, experience, and position. By rewarding experience and credentials, they incentivize professional advancement. For policymakers, salary scales can help guide understanding of the necessary public investments by highlighting how current wages fall short of competitive targets.

The ECE workforce faces two interrelated wage issues:

1. **Extremely low entry-level wages**, which deter new entrants and contribute to turnover.

¹¹ Bureau of Labor Statistics, U.S. Department of Labor. (n.d.). *Occupational Employment and Wage Statistics (OEWS)*. Retrieved August 18, 2025, from <https://data.bls.gov/oes/>

¹² McLean, C., Austin, L.J.E., Powell, A., Jaggi, S., Kim, Y., Knight, J., Muñoz, S., & Schlieber, M. (2024). Early Childhood Workforce Index – 2024. Center for the Study of Child Care Employment, University of California, Berkeley. <https://csce.berkeley.edu/workforce-index-2024/>.

¹³ U.S. Department of Labor, Women's Bureau. (n.d.). *Childcare prices as a share of median family income by age of children and care setting, 2022*. Retrieved August 14, 2025, from <https://www.dol.gov/agencies/wb/topics/childcare/median-family-income-by-age-care-setting-2022>



2. **Flat wage progression**, where increased education and experience are not financially rewarded.

Compensation strategies must address both recruitment and retention by offering clear pathways for wage growth. While sufficient entry-level wages are critical to maintaining a stable supply of care, wage progression is critical to building the workforce for high-quality settings. Higher staff education is linked to improved learning environments for young children. Indeed, Hawai'i has long recognized the importance of well-qualified educators through its [Ready Keiki Early Childhood State Plan](#) and investments into its early childhood workforce registry, [PATCH](#).

CELFE's Approach to Salary Scale

The Center for Early Learning Funding Equity (CELFE) is a national consultancy and research center specializing in early childhood education funding systems. CELFE partnered with the [Early Childhood Educator Excellence and Equity Project at the University of Hawai'i at Mānoa](#), [Early Childhood Action Strategy](#), and the County of Honolulu to design a data-informed, equitable salary scale for Hawai'i's ECE workforce, including home- and center-based care.

Methodology and Principles

CELFE's salary scale design was driven by both qualitative and quantitative data, including comparisons with similar roles in Hawai'i's broader labor market. Our approach was grounded in three principles:

- **System Quality:** Incentivizing credential advancement to improve program quality.
- **Market Competitiveness:** Aligning ECEC wages with other industries requiring similar skills.
- **Lived Experience:** Incorporating the voice and needs of Hawai'i's child care providers.

The proposed salary scale provides structured wage progression across both center-based and Family Child Care (FCC) settings. Key features include a wage floor of \$17.25 for aides with a high school diploma and a floor of \$29.75 for teachers with bachelor's degrees. The full scale is in the appendix. To ensure competitiveness, we benchmarked:

- **Bachelor's-level teachers and lead caregivers** against K–12 Hawai'i public school teacher salaries.
- **Entry-level roles** against wages in sectors requiring no post-secondary education (e.g., retail, hospitality, food service).

Hawai'i's DHS licensing currently does not require a high school diploma to work as an aide in child care programs, making the aide position similar to the above listed sectors. According to both national research and findings from our listening sessions, many ECEC workers transition into these industries when they leave early childhood due to higher pay and the lack of educational requirements.

When asked where her employees went after they left her program, one family child care provider shared:

"Fast food restaurants for the younger crowd. Some- they went into other schools, elementary schools. And for my son, he just got out of high school and, it would be great if he worked for me, it would help with the cost, but right out of high school, he went to Jamba Juice. Jamba Juice pays more, and I can't compete with that as a small business owner."

By benchmarking the scale against both low-barrier-to-entry occupations and the public school system, our scale considers competitiveness across the qualification spectrum.

While the focus of this scale is on wages, we recognize the importance of comprehensive benefits. Preliminary research (e.g., RAND) suggests that benefits for Hawai'i's child care workers are approaching those in the broader workforce.



Therefore, raising base wages is the most urgent and impactful first step. Additional strategies can be layered over time to strengthen the stability of the workforce.

Putting the Scale into Action: State Examples

States are exploring different funding strategies and mechanisms to improve ECE compensation, including apprenticeship models, tax credits, one-time bonuses, and direct ongoing funding for wages. Since the pandemic, over 30 states have used federal or state funding to provide direct, recurring compensation supports to the early childhood workforce¹⁴. **Hawai'i can draw from these models, and we've included two examples below.**

Illinois - Smart Start Compensation Grants

Illinois uses a classroom-level grant to provide funding to support higher wages for teaching staff working in licensed child care programs that serve subsidy-eligible children. The grant amounts are determined using two cost models, one based on current average wages and one based on target salary-scale wages. This helps determine the additional revenue a typical program would need to increase wages to target levels. Participating programs must meet wage floor requirements, and programs already meeting the floor can use funds for further raises or quality improvements. The state is expanding this model to layer additional funding for further improving compensation for teachers with higher credentials.

Maine- Early Childhood Educator Workforce Salary Supplement

Maine initially used pandemic relief funds to support child care staff and then transitioned to a state-funded Salary Supplement Initiative. Non-competitive monthly grants of \$240-540 per staff member are distributed. These payments are tiered by the state's career lattice, directly tying compensation increases to professional advancement. Over 1,300 programs (93% of Maine's licensed capacity) are participating. Maine's cost model allows the state to track how well supplements close the wage gap compared to target salaries.

Call to Action

The early care and education workforce is the backbone of Hawai'i's economy and our children's futures.

Without immediate and strategic investment, the state risks continued workforce attrition, reduced access to care, and diminished quality.

We urge legislators to:

- Champion the implementation of a statewide child care salary scale.
- Allocate public resources to fund competitive wages.
- Partner with CELFE and other stakeholders to design sustainable funding mechanisms.

This scale is the first step towards building a professional, well-compensated child care workforce that meets families' needs, strengthens the economy, and uplifts the early care and education system.

¹⁴ Lee, H. (2025, February 28). Beyond ARPA: Tracking ECE Compensation Policies Nationwide [Data snapshot]. Center for the Study of Child Care Employment, UC Berkeley.
<https://csce.berkeley.edu/publications/datasnapshot/compensationtracker/>

Appendix: Statewide Salary Scale

Position	Education	Hourly	Annual	
Director (Large Center, 60+ Children)	Masters	\$43.75	\$91,000	
	<u>Bachelors</u>	\$38.75	\$80,600	→ 30% more than teachers
	Associates/60 Credits	\$35.50	\$73,840	
	CDA	\$32.00	\$66,560	
Director (Small Center, 59 children or less)	Masters	\$40.50	\$84,420	
	<u>Bachelors</u>	\$35.75	\$74,360	→ 20% more than teachers
	Associates/60 Credits	\$32.75	\$68,120	
	CDA	\$29.50	\$61,360	
Assistant Director and Family Child Care Provider	Masters	\$37.00	\$76,960	
	<u>Bachelors</u>	\$32.75	\$68,120	→ 10% more than teachers
	Associates/60 Credits	\$30.00	\$62,400	
	CDA	\$27.25	\$56,680	
	High School	\$24.25	\$50,440	
	Less than High School	\$21.25	\$44,200	
Classroom Lead: Teacher, Lead Caregiver	<u>Bachelors</u>	\$29.75	\$61,880	→ Parity with K-12 Teachers
	Associates/60 Credits	\$27.25	\$56,680	
	CDA	\$24.75	\$51,480	
Classroom Support: Assistant/Aide	Associates/60 Credits	\$25.75	\$53,560	
	CDA	\$23.00	\$47,840	
	<u>High School</u>	\$20.00	\$41,600	→ Parity with median entry level roles requiring no post-secondary education (retail, hospitality, food service)
	<u>Less than high school</u>	\$16.75	\$34,840	→ 25 th percentile of roles listed above