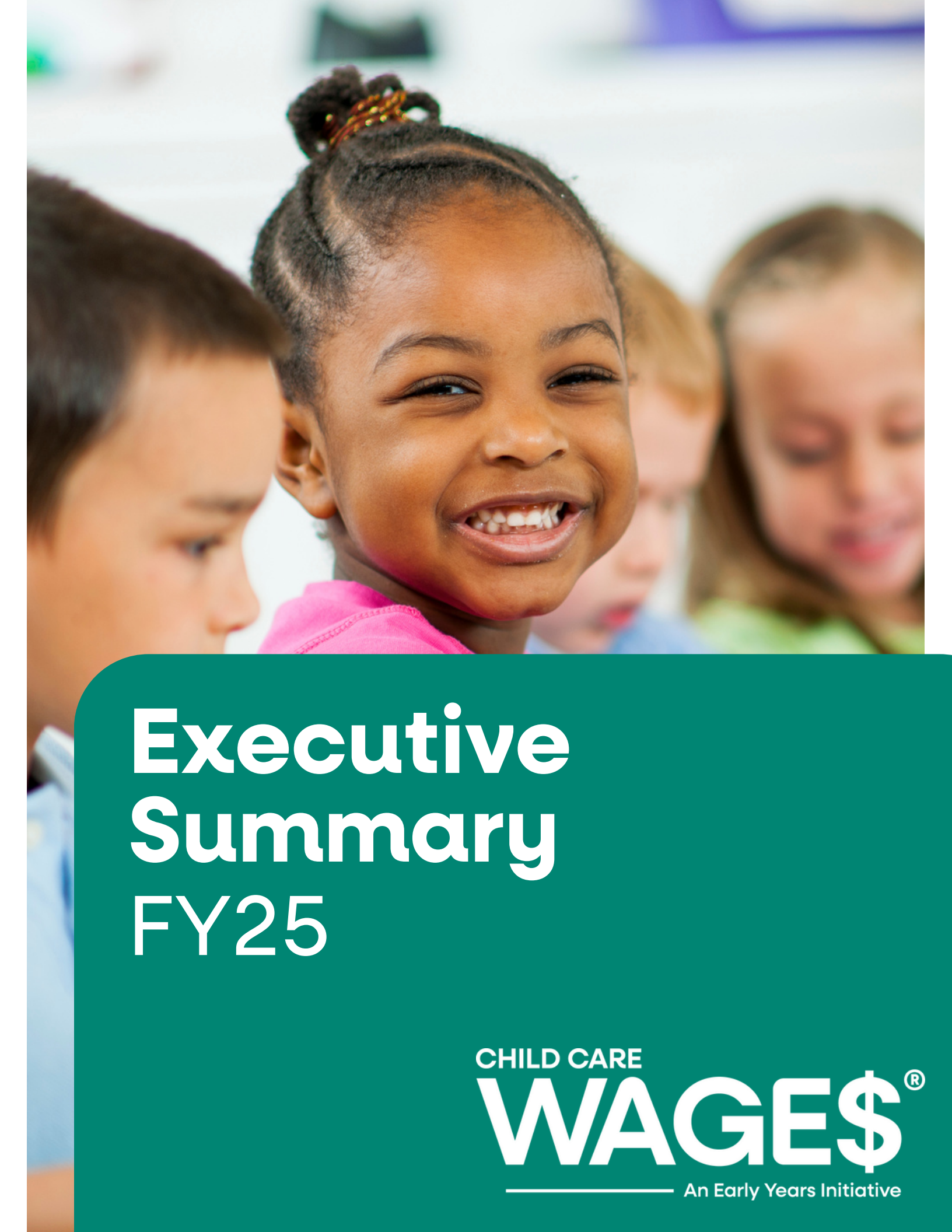


A photograph of a group of young children, primarily of African descent, smiling and looking towards the right. The child in the foreground is a young girl with her hair in a bun, wearing a pink shirt. Other children are visible in the background, slightly out of focus.

Executive Summary FY25

CHILD CARE
WAGES[®]
An Early Years Initiative

Introduction

The Child Care WAGE\$® Program was created in response to research-based evidence showing that the quality of care children receive is lowered by high turnover rates and inadequate teacher education. The combination of a lack of resources and efforts to maintain affordability for parents means many early childhood teachers are often severely underpaid and leave the field for better-paying jobs, and others never consider the profession as an option.

While many early educators have experienced increased hourly rates, particularly with the temporary availability of stabilization grants, compensation has not kept pace with inflation. The median hourly rate for active WAGE\$ participants in FY25 was \$16.82, which is far less than North Carolina's \$22.54 living wage for one adult¹.

Now that stabilization grants are no longer being issued by the state, many employers may find it difficult to maintain higher hourly rates going forward. WAGE\$ supplements are a crucial support for early educators and enhance the best compensation employers can offer, making it more feasible for educated professionals to afford to teach children.

WAGE\$ provides tiered education-based salary supplements to teachers, directors and family child care home providers working with children from birth to five with the goal of improving the retention, education and compensation of this workforce.

While supplements alone cannot solve the compensation crisis, they are a critical strategy until early educators receive the base pay, benefits and respect they deserve for the important work they do. As child care programs struggle to attract and retain staff, WAGE\$ can help turn the tide on turnover and decrease the financial stress experienced by an essential workforce.

In North Carolina, WAGE\$ is made possible through a collaboration between local Smart Start partnerships that elect to participate, the North Carolina Partnership for Children and the Division of Child Development and Early Education. Early Years, formerly Child Care Services Association, administers the program for participating counties across the state and extends gratitude on behalf of the participants to these supportive funders. Please see pages 10 and 11 for a 2024-2025 funder list.



¹Dr. Amy K. Glasmeier and Massachusetts Institute of Technology. 2025. *Living wage calculation for North Carolina*. MIT Living Wage Calculator. Retrieved September 2025, from <https://livingwage.mit.edu/states/37>

WAGE\$ benefits recipients, their employers, the children and families they serve and the communities in which they live

WAGE\$ supplements are issued directly to eligible early educators in participating counties, and they can use those payments in any way that meets their needs. This enhanced compensation helps participants in their daily lives and makes it more feasible for them to stay in the early childhood field. They can contribute to a high-quality learning environment for children and employers can spend less recruiting and training new staff.

“

“WAGE\$ gives meaning and value to this job and helps teachers to do better and be better not only for themselves, but for their community and students.”

Participating Teacher

“WAGE\$ helps with consistency by keeping the staff at the same place, building relationships between teacher and child. The children see the same teachers, and it is good for the program.”

Participating Director

“The reality is we love the children, but the financial struggle is real. I am thankful for WAGE\$.”

Participating Teacher

“WAGE\$ is very important. Helping teachers stay with the same company for years is a great thing. I have had parents tell me that they feel a sense of relief and comfort to see the same teachers working.”

Participating Teacher

”

WAGE\$ participants experience less financial stress and are more satisfied with their jobs

Economic insecurity impacts teacher well-being and can have consequences for the quality of interactions they have with the children in their care. Stress and adversity can affect the health of teachers and thus how effective they can be in promoting the supportive environments and engaging interactions children need. Easing financial stress is critical for the participants, their families and for the children they serve.

Participants report using their supplements in a variety of ways. Eighty-three percent (83%) use the supplements to help pay bills. Others pay for basic needs like housing or food, for transportation, classroom resources, health care, school, savings or self-care.



4,075

paid in 67 participating counties

\$1,227

average six-month supplement

(\$1.18 more per hour for full-time employment if viewed as an hourly increase)

98%

of survey respondents said WAGE\$ helps ease financial stress

96%

of survey respondents said WAGE\$ helps them feel more satisfied with their jobs

Participant **Margaret Simerly** used her WAGE\$ supplement, along with scholarship assistance from the TEACH Early Childhood® Program, to help her achieve her dream of completing her associate degree. WAGE\$ is also a needed resource as she faces recovery from Hurricane Helene.

“Helene hit us hard, and I was trying to finish my student teaching, and I just couldn’t,” Margaret said. “I had to stop temporarily. The site closed, but I really wanted to get my degree and get five stars for my program. We had families that lost everything. The children were so impacted. One child lost her parents. Nothing was the same. We were all just in a bad spot.”



Tragedy struck again during this same time. Margaret’s home caught on fire, and everything was destroyed. “Power was out, and when my house finally got it back, there was a power surge and my house just exploded. We had just left. If we had been there, we would not have made it out. Everyone is trying to build back, so it’s hard because everyone is in the same position. It’s been a year. We just now are getting started. There isn’t the manpower or the material. And in the midst of all this, my twin sister had a stroke. She was in the hospital for months and is paralyzed on the right side. I’m trying to help her.”

Margaret was determined to rise above these challenges and achieve her goal. “I picked back up with my student teaching when I could and I ultimately did get my five stars! I scored very well when that assessment was done. I finished my degree despite all this. My WAGE\$ specialist was so supportive during this time. She helped me stay positive and strong. She gave me the boost to get across that line. She let me cry on the phone and got me through it. I had so many hurdles. I couldn’t even go to my graduation, but I was just so happy when I got that degree in the mail.”

Because of her experience, Margaret has a message for other teachers: “Don’t give up. You just keep going. You’ll get there eventually. If you have great programs like TEACH and WAGE\$ behind you, keep going. They will help you and they want you to succeed. You can do it.”

Margaret is in the initial phases of her rebuilding process, and she used WAGE\$ money to put a down payment on the flooring for her house. She said, “WAGE\$ is an incentive. I worked hard. It’s a reminder that I made it, that I did well. I also put it back into my classroom and the children I serve. My kids helped me get it, so I want them to benefit too!”

She wants the WAGE\$ funders to know how grateful she is and how much WAGE\$ has meant to her life and her community.

“Please don’t take it away. It is very needed. We are very appreciative. We are a small county, and we don’t have any other kind of help. It’s one of the best programs I’ve ever seen. Thank you.”

WAGE\$ encourages, supports and rewards continued education

According to 2023 workforce data, 57% of the early childhood center-based teaching staff had at least an associate degree in any field and 42% had earned these degrees specifically in the field². WAGE\$ plays a role in encouraging, supporting and rewarding educational pursuits.

The education required to receive a supplement ranges from 12 semester hours of early childhood coursework or the National Child Development Associate (CDA) Credential all the way to a doctorate degree. Participants with education below an associate degree with at least 24 birth to five focused semester hours are awarded temporarily and must make educational advancements in order to retain their eligibility. TEACH Early Childhood® scholarships may be available to provide financial assistance with the coursework needed. Participants are encouraged to access the benefits of both programs at the same time.

89% of WAGE\$ participants working in counties with two or more years on WAGE\$ have an associate degree with at least 24 birth to five focused semester hours or submitted coursework during the year to reflect their ongoing education



²Early Years. 2024. *Working in Early Care and Education in North Carolina, 2023 Workforce Study*. Chapel Hill, N.C.

WAGE\$ participant **Erin Drye** continued her coursework and moved up the WAGE\$ scale, ultimately obtaining her bachelor's degree.

“Child care really is a demanding job, and parents rely on you so they can work,” Erin said. “It doesn’t give you a lot of time for school, especially when you have a family. It’s hard to find the balance. I just kept doing it because I wanted that diploma. I knew I could do it, it would just be a sacrifice for a period of time, but it’s worth it. Education gives you a different perspective. Everyone has their way of thinking, but when you talk about it with others in the class, it opens your eyes to new and different strategies. Sometimes you need to think outside of the box.”



“WAGE\$ is a really good incentive to keep pursuing education, to better myself as a teacher,” she continued. “The more education you complete, the more money you get. The money is beneficial to me and then the education is beneficial to the center and to the children. I don’t think parents or people in general always see child care providers as professionals and if I can say I have a bachelor’s degree then it makes me feel more professional and the parents can see that. They will realize I do know what I’m doing and I’m not just here to wipe noses. I want to be taken seriously. This is my career. Child care is an important part of growing up. We are setting the stage for their success in school.”



Sharon Morris is proud to have her Associate Degree in Early Childhood Education. Sharon said, “I was taking classes here and there, but when I turned 50, I decided I wanted to finish what I started. It is hard to work full-time and handle life issues, but I wanted to continue and push forward. I was still only able to take one or two classes a semester, but this past May, I graduated with my associate degree. It took me over seven years. I felt embarrassed at first that it took so long, but I realized others were in the same situation. I now feel proud that I was able to do this. I hope it inspires others. In this profession, you have to be open to learn every day. Things change constantly. You have to use your knowledge to be the best provider you can be. ... Without TEACH or WAGE\$, I’m not sure I would have been able to accomplish what I was able to do. I was so grateful to have these programs.”

WAGE\$ helps participants stay in the field, giving children stable and engaging relationships with educated professionals

WAGE\$ participants must work at least six months in the same child care program to be eligible for a supplement. As a result, children benefit in the years when stable and engaging relationships are most critical.

13%

average turnover rate

which compares favorably to the 38% turnover rate of full-time teachers and assistants in the state's early childhood workforce overall, captured in 2023 workforce data³

97%

of survey respondents said WAGE\$ encourages them to stay in their current programs

“

“Receiving a salary supplement can be incredibly important for several reasons. It acknowledges the hard work and dedication of staff members who go above and beyond in their roles. This recognition can boost morale and motivation among the team, leading to higher job satisfaction and retention. Often, these supplements are tied to professional development opportunities. They encourage staff to pursue ongoing education and training, which not only benefits them personally but also enhances their skills and effectiveness in their roles. For programs like ours in child care or education, these supplements can improve overall quality. When staff members are recognized and supported, they are more likely to stay in their positions longer, bringing stability and continuity to the program. This, in turn, positively impacts the quality of care and education provided to children. Ultimately, the biggest beneficiaries are the children in our care. When staff are motivated, well-trained, and committed, they create a nurturing and stimulating environment. Children thrive in settings where caregivers are engaged and supported, leading to better outcomes in terms of learning, social development, and overall well-being.”

-L'nette S Stokes, Director

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³Early Years. 2024. Working in Early Care and Education in North Carolina, 2023 Workforce Study. Chapel Hill, N.C.

WAGE\$ recognizes the accomplishments of early educators

WAGE\$ and its funders know how important it is to have an educated teacher who stays in the field. WAGE\$ participants often juggle work, family and school all while trying to make ends meet on a minimal salary. As the essential workforce behind the workforce, early educators make it possible for parents to go to work and are the foundation upon which the nation can build economic success. Their dedication is recognized and rewarded through the WAGE\$ supplement.

97% of survey respondents said that receiving WAGE\$ made them feel more appreciated and recognized for their work

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“WAGE\$ helps support early childhood educators, ensuring they receive fair compensation for their hard work and dedication. For me, this program has provided financial stability and motivation to continue pursuing my passion for early childhood education. It has motivated me to pursue further education in early childhood development so that I can enhance my skills and provide even better care for young children. The financial support and recognition have encouraged me to continue growing professionally, which ultimately benefits the children in my care and the early childhood community.

I sincerely appreciate the support provided by Smart Start through the Child Care WAGE\$® supplements. This funding not only recognizes the value of early childhood educators, but also directly impacts the quality of care and education young children receive.”



Eman Alsamawi

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Thank you for your support of WAGES

Alamance Partnership for Children
Alexander County Partnership for Children
Alleghany Partnership for Children
Alliance for Children (Union County)
Blue Ridge Partnership for Children
Buncombe Partnership for Children, Inc.
Burke County Smart Start, Inc.
Cabarrus County Partnership for Children
Caldwell County Smart Start
Catawba County Partnership for Children
Cleveland County Partnership for Children, Inc.
Columbus County Partnership for Children, Inc.
Craven Smart Start, Inc.
Down East Partnership for Children
Duplin County Partnership for Children
Durham's Partnership for Children
Franklin Granville Vance Smart Start, Inc.
Guilford County Partnership for Children
Halifax-Warren Smart Start Partnership for Children, Inc.
Harnett County Partnership for Children, Inc.
Hertford-Northampton Smart Start Partnership for Children, Inc.
Iredell County Partnership for Young Children, Inc.
Lee County Partnership for Children
Martin-Pitt Partnership for Children, Inc.
Montgomery County Partnership for Children
North Carolina Division of Child Development and Early Education
North Carolina Partnership for Children
Partners for Children & Families Inc. (Moore County)
Partnership for Children of Johnston County, Inc.

"I would like to express my deep gratitude to the local Smart Start Partnership for providing the funds for the Child Care WAGES® supplement. Thank you for investing in the future of children and the educators who support them. Your continued support is critical in strengthening the early childhood education workforce, and I hope you will keep up the great work in supporting those of us who are committed to making a difference in the lives of young children."

Participating Teacher

”

Thank you for your support of WAGES\$

Partnership for Children of Lenoir and Greene Counties
Partnership for Children of Lincoln/Gaston Counties
Partnership for Children of the Foothills
Randolph County Partnership for Children
Region A Partnership for Children
Richmond County Partnership for Children
Robeson County Partnership for Children
Rockingham County Partnership for Children, Inc.
Sampson County Partnership for Children
Smart Start of Brunswick County, Inc.
Smart Start of Davidson County, Inc.
Smart Start of Davie County, Inc.
Smart Start of Forsyth County
Smart Start of Mecklenburg County
Smart Start of Transylvania County
Smart Start of Yadkin County, Inc.
Smart Start Partnership for Children, Inc. (Henderson County)
Smart Start Rowan, Inc.
Stanly County Partnership for Children
Surry County Early Childhood Partnership
The Partnership for Children of Cumberland County
The Partnership for Children of Wayne County, Inc.
Wilkes Community Partnership for Children
Wilson County Partnership for Children

“I will continue to be a champion of WAGES\$ to help move the needle toward attracting and retaining the true educators - early childhood teachers! As a former recipient of TEACH and WAGES\$, I know firsthand the difference it makes to receive a salary stipend during a time when it's needed the most. It doesn't just provide the recognition of ‘I see the hard work you're doing day after day,’ but WAGES\$ support showed me that I matter, and it said, ‘I want to see you grow and remain in the early childhood field.’ In other words, they put their money where their mouth was.”

Trinisha Dean, Executive Director, The Alliance for Children