



Anna Powell

Center for the Study of Child Care Employment

As an Associate Director of Research and Policy, Anna's research focuses on early care and education systems in California, including the California Early Care and Education Workforce Study and the California Family, Friend, and Neighbor Care Study. She holds a bachelor's degree in History from Princeton University and a master's degree in Public Policy from the UC Berkeley Goldman School of Public Policy.

Early Care and Education in California

Anna Powell, Associate Director
Center for the Study of Child Care Employment

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About CSCCE

The Center for the Study of Child Care Employment (CSCCE), founded in 1999, is the national leader in early care and education workforce research and policy. CSCCE provides research and analysis on the preparation, working conditions, and compensation of the early care and education workforce. We develop policy solutions and create spaces for teaching, learning, and educator activism. Our vision is an effective public early care and education system that secures racial, gender, and economic justice for the women whose labor is the linchpin of stable, quality services

The landscape



Early care and education takes place:

- Center-based care: schools, office buildings, churches, etc.
- Family child care (FCC): licensed program in a home
- All around us: grandmas, nannies, and more

Emphasis on age 0-5, but includes aftercare for older kids



Licensed ECE is structurally scarce.

- Most child care is purchased by parents
- Only Transitional Kindergarten is funded to be universally available
- Wait lists for subsidized or free care
- Infant/toddler care is most expensive and hardest to find



Early educators have the passion—but earn low wages in return.

- History of devaluing care work... the “workforce behind the workforce”
- Private programs have 1% profit margins nationally
- Parents can’t pay more, so wages stay low



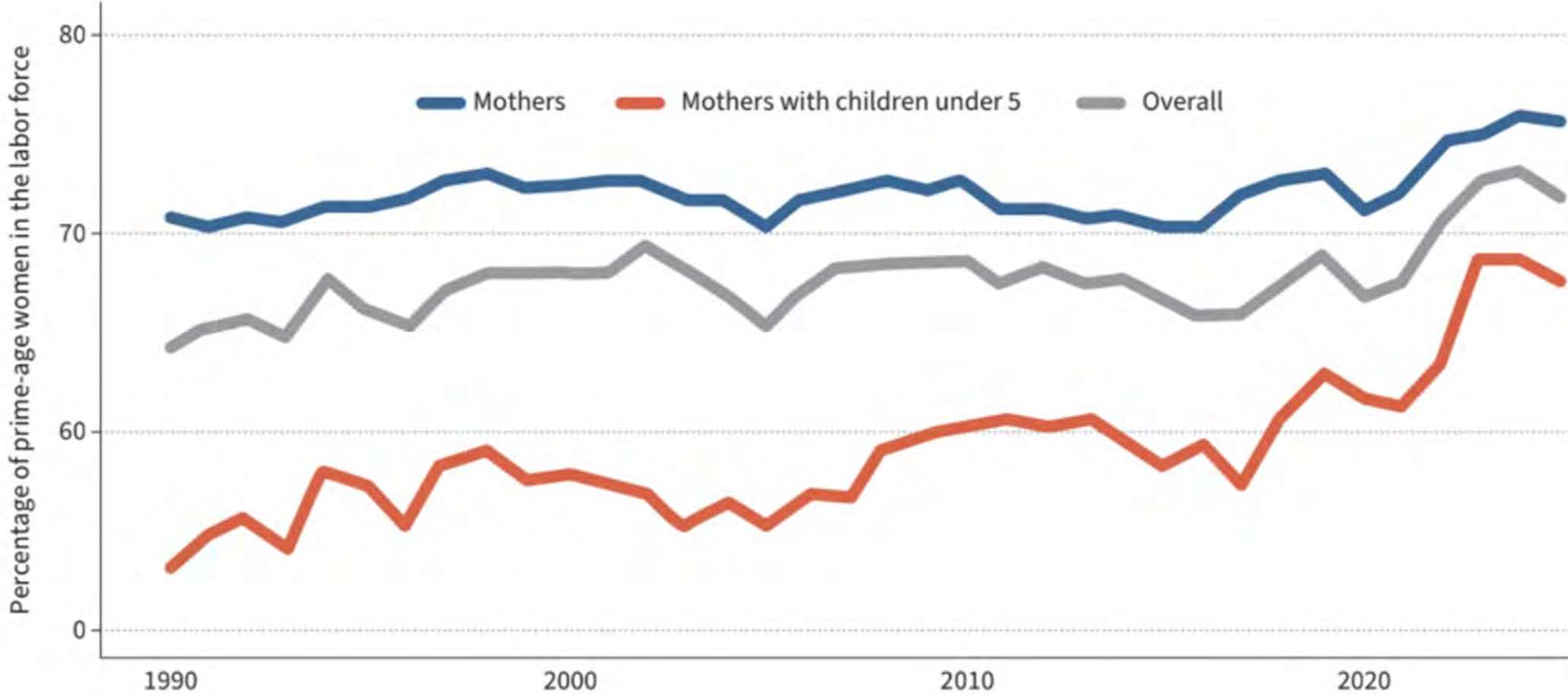
What's going on? Market failure.

- Parents struggle to afford child care **prices** - and meanwhile, child care providers earn basement **wages**.
- Child care businesses have razor-thin **margins**. They can't raise rates prices to improve wages, so early educator pay remains structurally low.
- Talented ECE workers **leave the profession** every day, and turnover keeps care options **scarce for parents**.
- Financing the **true cost of care** (where the price consumers pay = all the expenses of ECE) is not possible due to market failure.

The impact



Figure 2. Labor force participation over time in California, by maternal status



Authors' calculations of Current Population Survey data.

Contra Costa County's economy needs child care to meet its goals.

- **When ECE is too expensive and scarce, parents struggle to find and maintain full employment**
- **Employers in priority sectors struggle to find workers (e.g. advanced manufacturing, healthcare, construction)**

**Inadequate & unaffordable
infant-toddler care costs
CA's economy \$17 billion
every year.**

Return on Investment

Perry Preschool research shows high-quality investments result in stronger families and multi-generation outcomes, emerging as an effective way to break the cycle of poverty.

Multi-Generational Impact

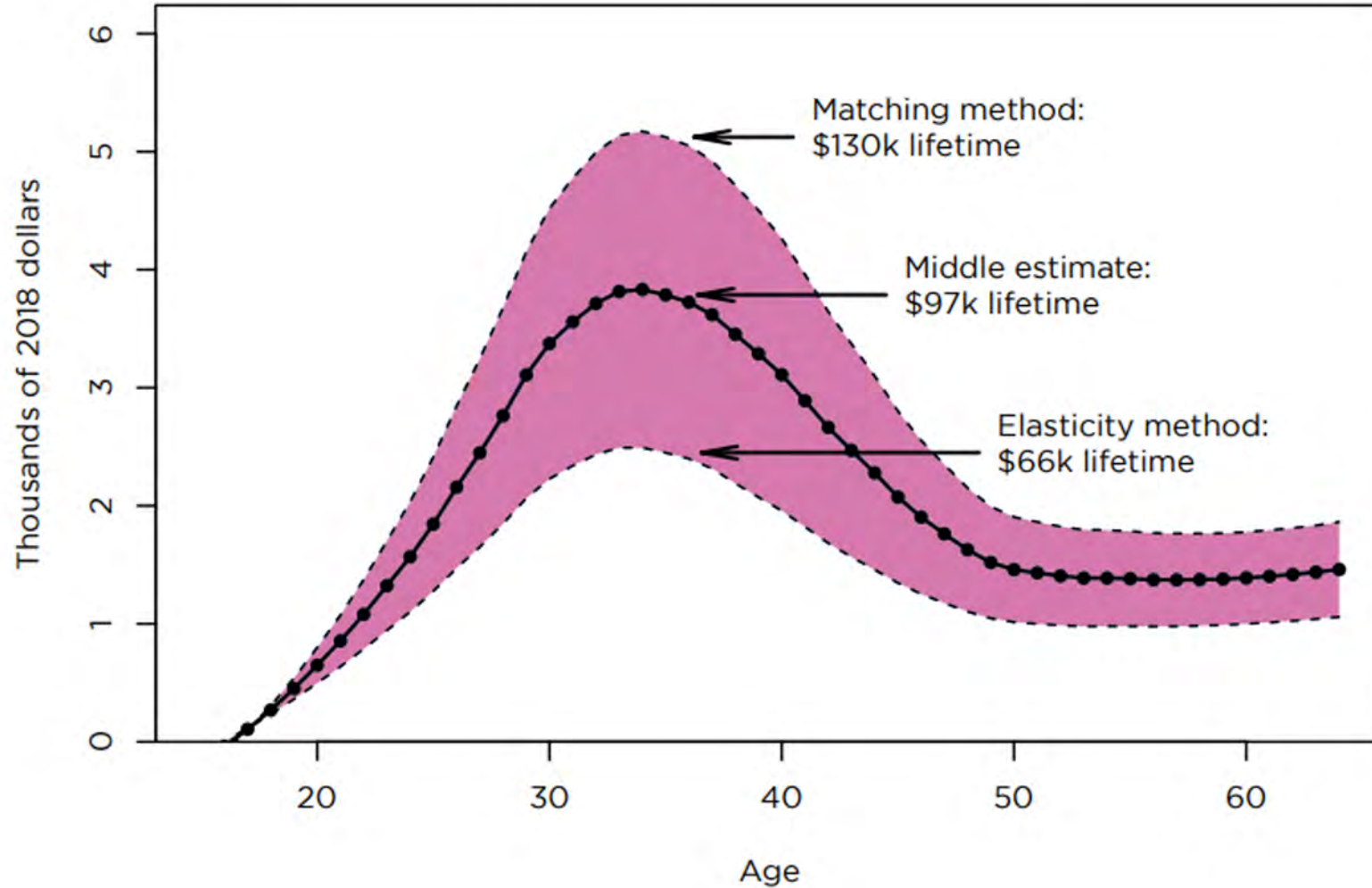
Research shows high-quality, birth-to-five early childhood education provides a higher rate of return than preschool alone.

13% ROI for 0-to-5 Programs

Short-term measurements of cognitive skills don't tell the real story of long-term life and career success. Skills developed through quality early childhood education last for a lifetime.

Fadeout is a Myth

Figure 5: Changes in Lifetime Net Income by Life-Course Profiles for Women With Two Children, by Simulation Method



Notes: Estimates show net income changes including decreased out-of-pocket child care expenses, increased earnings, and effects of wage growth by age for an average woman with two children. This change in net income includes some portion of income that may be set aside as private savings contributions (compare with Figure 8 showing cumulative changes in income and retirement savings over the life course).

Why focus on the ECE workforce?



**ECE services cannot exist
without a robust, well-
supported pool of workers**

**Improving job quality and pay can make a
difference.**

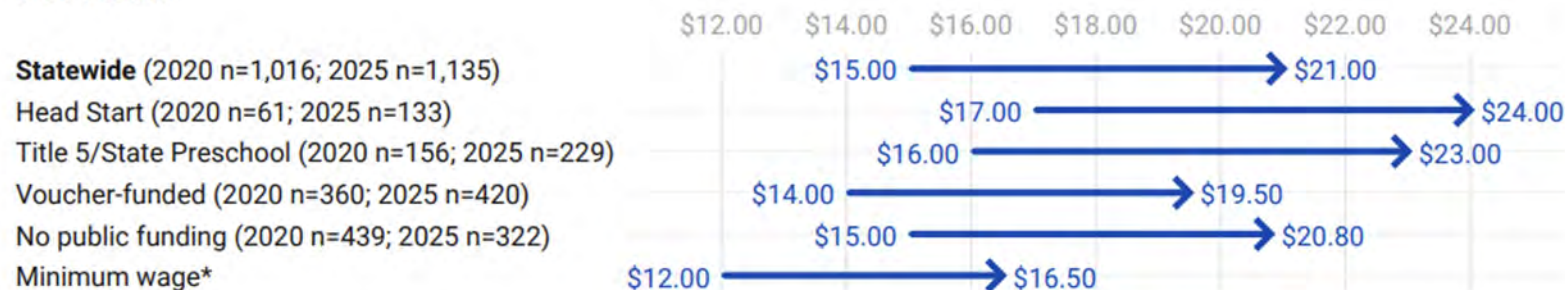
Typical Starting Wage in Child Care Centers, 2020 to 2025

California ECE Workforce Study

Assistant Teacher



Lead Teacher



*Minimum wage in 2020 depended on the size of the employer: an agency with more than 25 staff members was required to pay \$13 per hour instead of \$12. In 2025, employers of all sizes were subject to a state minimum wage of \$16.50.

Notes: Each year of data reflects a cross section, so centers surveyed differ between years. 2020 wages are not adjusted for inflation. Starting wage reflects the median (50th percentile) low-end wage reported by directors in their pay scale. Voucher funding includes CalWORKS and Alternative Payment.

Source: Center for the Study of Child Care Employment, University of California, Berkeley

Early Educators' Job Plans in Three Years

California ECE Workforce Study, 2025

■ Continuing in the same role ■ Different job in ECE ■ Job outside of ECE ■ Retired ■ Don't know

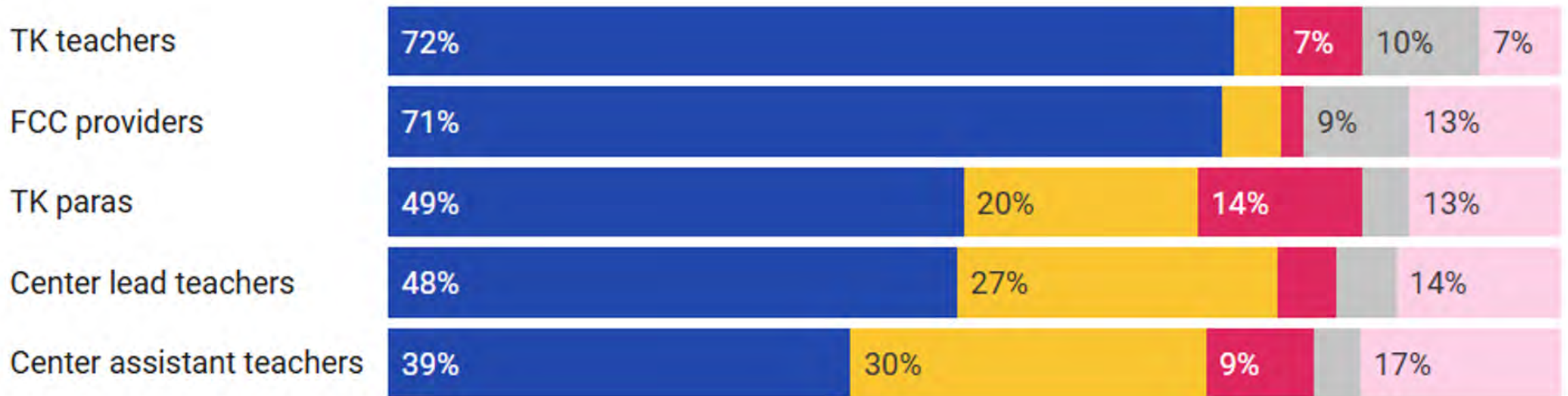


Table 1.11. Centers With Turnover and Vacancies, By Program Funding
 Contra Costa County Early Care and Education Workforce Study, 2023

	Contra Costa County	Statewide
Head Start/Title 5	N=21*	N=139
Any turnover since January 2021	98%	87%
Number of turned-over positions	4.2	4.8
Any vacancy now	63%	56%
Number of vacancies	3.0	2.0
All Other Centers	N=67	N=352
Any turnover since January 2021	94%	84%
Number of turned-over positions	5.9	4.1
Any vacancy now	74%	54%
Number of vacancies	1.4	1.1

Better pay and retention are linked, benefitting the whole classroom

- Retained educators are lifelong learners
- Retained educators form trusting bonds (essential for child development)
- 1 person who quits can mean up to 12 children losing care



EARLY CHILDHOOD EDUCATOR WORKFORCE POLICIES



Policy action needed



Levers for abundance in ECE

- Supply of workers
 - Compensation, pathways, job quality
- Supply of facilities
 - Facilities fund for building/renovating
- Public funding for supply and an ecosystem of support
 - Federal funding is under threat; state is slow to deliver on promised investments.

Questions?

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