Compensation and Benefits Among Maryland Child Care Providers

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This factsheet is the second in a three-part series presenting findings from a survey of 2,379 Maryland early care and education (ECE) workers conducted in Fall 2024. This factsheet examines survey respondents' compensation, perceptions of pay, and source of health insurance.

The first factsheet, "Characteristics of Maryland's Early Care & Education Workforce," provides an overview of the demographic characteristics of ECE workers in Maryland, focusing on their age, family characteristics, and education and training background. The third factsheet, "Maryland Child Care Providers' Workforce Supports and Retention," explores the workplace supports available to ECE workers, their perceptions of feeling supported in their roles, and their intentions to remain in the field. Together, these three factsheets offer a comprehensive picture of Maryland's ECE workforce—who they are, their professional experience and compensation, and the factors shaping their retention in the field.

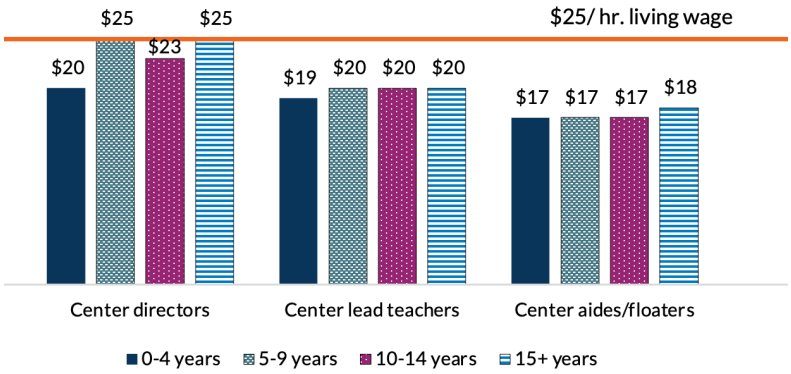
More about this research partnership: Child Trends and the Maryland State Department of Education (MSDE) are collaborating on a four-year research partnership (2022-2026) to understand the ECE workforce in Maryland and changes to the Child Care Scholarship Program. For more information about the study and other publications, please visit the project website. Read here for information about the workforce survey methods.

Compensation did not rise with experience and typically remained below the estimated living wage.

The median hourly wage among center directors was $25, followed by center lead teachers at $20 and center aides/floaters at $17.

All of these wages are comparable to those of retail jobs[1] and are below the benchmark of a "living wage,"[2] which is $25 for a single adult, no child household in Maryland. Interestingly, wages did not increase with years of experience (Figure 1).[3]

Figure 1. Median compensation by years of experience and role



Among family child care providers, 2 out of 3 reported their business either lost money or broke even over the past year.

[1] 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://cscce.berkeley.edu/workforce-index-2024/the-early-childhood-educator-workforce/early-educator-pay-economic-insecurity-across-the-states/

[2] Note: The living wage represents the hourly pay a full-time worker needs, after taxes, to cover essential costs like housing, food, child care, and health care for their family, without public assistance. $25 is the living wage for 1 adult with 0 children in Maryland.

[3] This may reflect the abscence of a pay scale, where formal wage ladders are tied to experience, which are not yet common and compensation is often constrained by tight operating budgets rather than individual tenure.

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Median earnings from FCC programs were approximately $35,000 per year. One-third of family child care providers reported their program **lost money** (33%) and slightly less reported **breaking even** (30%). Only 19 percent **made money** and 18 percent were not sure (Figure 2).

Across roles, roughly half to two thirds of Maryland's ECE workforce reported that their pay is a source of stress and that they are considering other jobs due to pay (Figure 3).

Figure 2. Family child care providers' annual profit

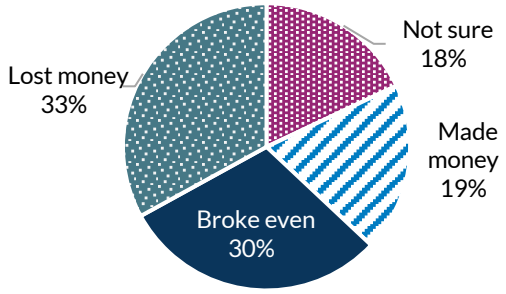
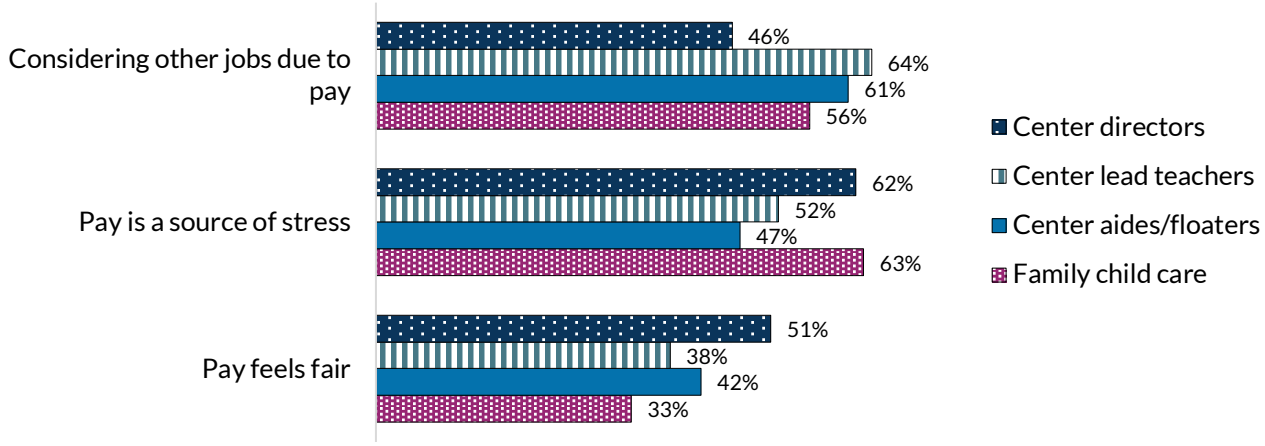


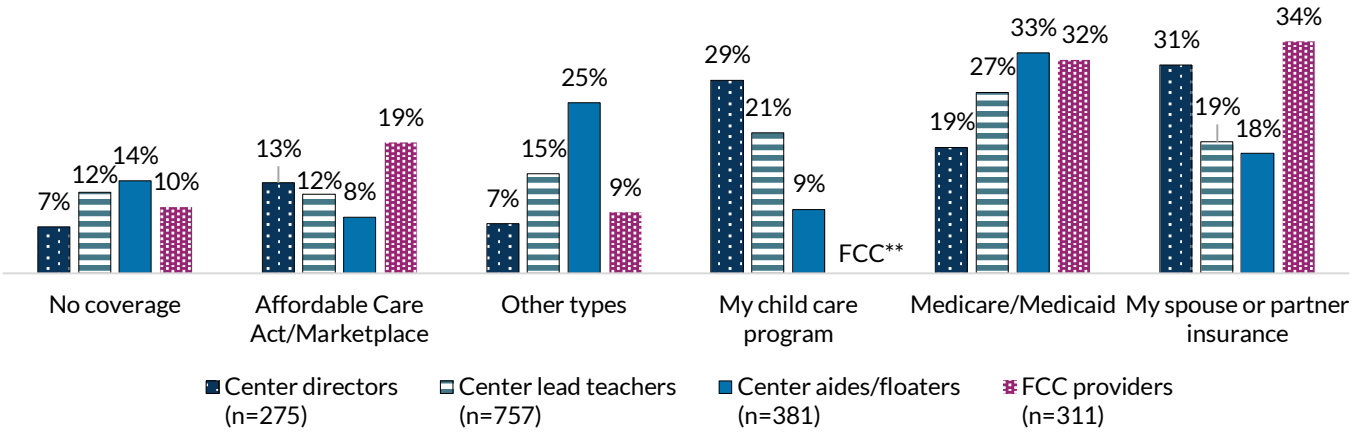
Figure 3. Percentage of ECE workers who agree with statements about their compensation, by role



Most of Maryland's ECE workforce members are not enrolled in an employer-sponsored health-insurance plan.

Only 17 percent of the center-based workforce gets employer-sponsored health insurance through their child care program. Most of the workforce relies on either public funding (Medicaid/Medicare) or their spouse/partner for health insurance (Figure 4).

Figure 4. Percentage of respondents who receive health insurance, by source and role



Note: Respondents could select more than one source of insurance.
"Other types" included insurance through another employer, through a parent's insurance, and through another type not listed in the survey.
** Findings for FCC providers with health insurance through their child care program were not included in this figure due to the small sample size (< 10 individuals).

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