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# EPI Issue Brief

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## **CHANGING COURSE IN NEW JERSEY EARLY CHILDHOOD EDUCATION Decline in Teacher Qualifications Since 1980 Drives Home Need for Industrywide Reform That Builds on Abbott Preschool Programs**

*by Stephen Herzenberg, Mark Price, and David Bradley*

### **Introduction**

Through its compliance with the 2000 Abbott v. Burke<sup>1</sup> decision that low-income school districts establish preschool programs taught by highly qualified teachers, New Jersey has been at the forefront of a national movement to deliver high-quality early childhood education (ECE) that improves the long-term academic outcomes for children and delivers benefits to the community that far outweigh the costs.<sup>2</sup>

This issue brief shows how low staff qualifications in community-based New Jersey ECE had sunk prior to the requirement that by September 2004 preschool teachers in Abbott programs have a bachelor's degree plus qualifications for teaching preschool through third grade. This report also suggests a need to extend improvements in qualifications beyond teachers in the Abbott districts that serve approximately 25% of New Jersey three to four-year-olds.

This issue brief relies on new data that track the center-based portion of ECE outside public schools for a 25-year period ending in 2004 (see **Note on the Data**). For home-based early childhood education consistent data are available for 2000-04.

### **Main findings**

*A lower share of center-based early childhood educators has a four-year college degree today than in the early 1980s.* In center-based ECE programs, the share of New Jersey early childhood educators (teachers, directors,

## NOTE ON THE DATA

The data analyzed in this issue brief come from the 1983-2004 Current Population Survey (CPS), a monthly survey of 60,000 U.S. households, and the 1980, 1990, and 2000 decennial U.S. Census. While our national companion report, *Losing Ground in Early Childhood Education*, relies exclusively on the CPS, the state-level issue briefs, like this one, rely more on the Census because the Census contains more data for each state. The center-based industry on which it focuses excludes school-based, pre-kindergarten programs and is over 90% private sector. It includes for-profit and not-for-profit child-care centers, Head Start programs, and stand-alone preschools and nursery schools. The data largely reflect trends prior to the implementation of the 1998 New Jersey Supreme Court (*Abbott v. Burke*) that required 30 New Jersey school districts to provide high-quality early childhood education to children starting at age three. As of September 2004, all teachers in Abbott programs were required to have a bachelor's degree and qualifications for teaching preschool through third grade. Abbott school districts serve about 25% of New Jersey's public school students (Applewhite and Hirsch 2003). Some 70% of the children enrolled in Abbott preschool classrooms are served outside of public schools and therefore their teachers and other educators should be in the center-based data series (Rice and Ponessa 2004). This report looks at trends for two different groups of center-based staff. "Early childhood educators" includes all occupations with primary responsibility for children, such as administrators, teachers, assistant teachers, and teacher aides. This second group includes just teachers plus administrators. (The report pools all early childhood educators to increase sample size and combines teachers with administrators for the same reason.)

assistant teachers, and teacher aides) with a four-year college degree fell from 40% in the 1983-87 period to 31% from 1988-97 to 26% in 1998-2004.

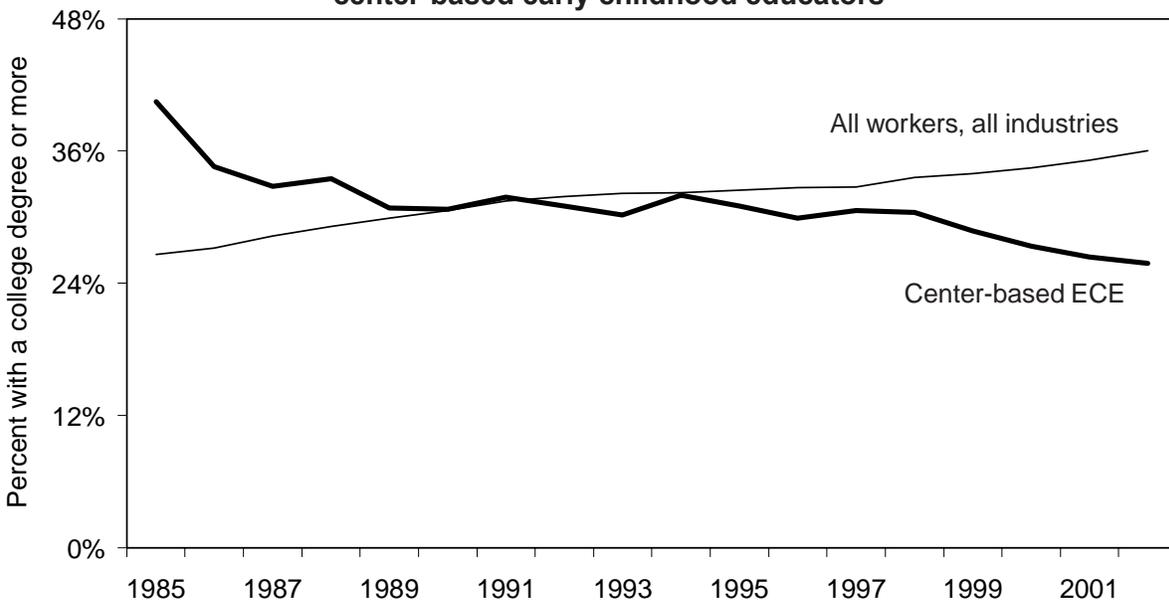
***A higher share of the center-based educators has a high school degree or less.*** The share of New Jersey center-based early childhood educators with a high school education or less climbed from 33% in 1983-87 to an average of 42% in 1988-97 and then up to 47% in 2000-04.

***By the year 2000, less than a third of center-based early childhood educators had a college degree in every one of seven New Jersey metropolitan areas.*** In Jersey City, Trenton, and the New Jersey portion of the Philadelphia metropolitan area, this same figure was lower than one in four.

***Education levels are lower still in home-based ECE.*** In New Jersey home-based ECE, only 14% of staff members has a college degree and more and 15% do not have a high school degree.

**FIGURE A**

**The decline since the 1980s in the college degree attainment of New Jersey's center-based early childhood educators**



Note: The difference between the share of center-based early childhood educators with a college degree or more in 1983-87 and in 2000-04 is significant at the 5% level. Figures are five-year averages; e.g., figures for 2002 are averages produced after pooling data for the years 2000, 2001, 2002, 2003, and 2004.

Source: KRC analysis of the CPS Basic Monthly Survey.

**Low wages and benefits help explain ECE education levels.** The fall in the education levels of center-based early childhood educators is related to median pay that remains about \$9.60 per hour—some \$20,000 per year for a full-time worker—and a lack of health care and pension benefits.

The story that emerges from the data is that the position of ECE in the New Jersey labor market changed for the worse from the 1980s to the lead up to the full implementation of the Abbott programs. As the field expanded from less than 10,000 in 1980 to nearly 30,000 in recent years, female college graduates experienced expanding career opportunities in other fields and, in some families, greater economic need. As a result, center directors found they must hire individuals with low education levels and no specialized training.

These trends underscore the pressing need for New Jersey's Abbott reforms. Since the Abbott districts only cover a quarter of the state's children in one age group, the data here also suggest that New Jersey needs to extend policies that would raise teacher qualifications and compensation throughout all of its early childhood education programs.

This issue brief is a companion to a study of national ECE trends, *Losing Ground in Early Childhood Education*, which is available on the Web sites of the Economic Policy Institute ([www.epi.org](http://www.epi.org)), the Foundation for Child Development ([www.fcd-us.org](http://www.fcd-us.org)), and the Keystone Research Center ([www.keystoneresearch.org](http://www.keystoneresearch.org)).

## Educational attainment in ECE has declined since the 1980s

In New Jersey as in the United States, the educational attainment of center-based early childhood educators has declined since the 1980s.

- According to the CPS, the share of these New Jersey educators with a four-year college degree dropped from 40% in 1983-87 to 31% from 1988-97 to 26% in 2000-04 (**Figure A**).<sup>3</sup> This compares with a national decline from 27% to 18% in the same period. (Figure A and other analysis for New Jersey using the CPS in this report rely on five-year moving averages to increase sample size and the reliability of the estimates).
- The share of center-based early childhood educators with a high-school education or less climbed from 33% in 1983-87 to 42% from 1988-97 to 47% in 2000-04. This compares with a national rise from 41% to 45% over the full period.
- In the 2000-04 period, the share of early childhood educators with a two-year associate's degree equaled only 7%. Adding this group to the four-year degree holders means that only a third of center-based early childhood educators have a two-year degree or above.

Educational attainment among early childhood educators has dropped even more relative to the workforce as a whole (Figure A).

- Two decades ago, early childhood educators were substantially more likely to have a bachelor's degree than other workers, on average. Today the situation is reversed.

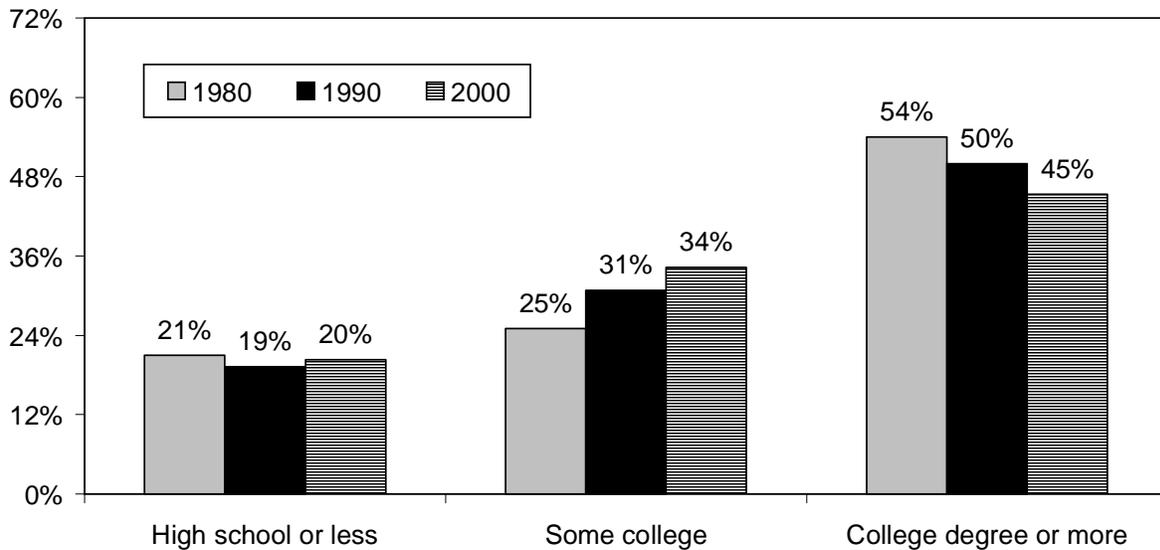
## College degree attainment also lower among center-based teachers and administrators

Narrowing the focus from all center-based early childhood educators to just teachers and administrators, the trends in educational attainment are similar:

- According to the Census, the share of center-based ECE teachers and administrators with a four-year college degree in New Jersey fell from 54% in 1980 to 50% in 1990 to 45% in 2000 (the 1980 to 2000 change is statistically significant) (**Figure B**).<sup>4</sup> The 2000 figure is still well-above the national level of 30%.
- At the lower end of the education spectrum, the share of New Jersey teachers and administrators with a high school education or less has been close to 20% according to the Census in 1980, 1990, and 2000 and according to the CPS throughout the 1989-2002 period.<sup>5</sup> In the most recent CPS data, for 2000-04, the share of New Jersey center-based teachers and administrators with a high school education or less climbs to about the national level of 26%.

**FIGURE B**

**The decline in the share of center-based ECE teachers and administrators with a college degree in New Jersey and the United States**



Note: The differences between 1990 and 2000 in the percent of teachers and administrators with each level of education are not significant. The difference between 1980 and 2000 in the college degree share is significant at the 5% level. The difference in the share with a high school degree or less between 1980 and 2000 is not significant. The difference in the share with some college between 1980 and 2000 is significant at the 1% level.

Source: KRC analysis of Census data.

### Education levels falling in New Jersey metropolitan areas

By the year 2000, according to the Census, 30% or fewer of center-based early childhood educators had a college degree in every one of seven New Jersey metropolitan areas (**Figure C**).

- In Monmouth-Ocean, Middlesex-Somerset-Hunterdon, Newark, and Bergen-Passaic 26% to 30% of center-based early childhood educators had a college degree.
- In the New Jersey portion of Philadelphia metropolitan area, Jersey City, and Trenton this same figure was 17% to 20%.

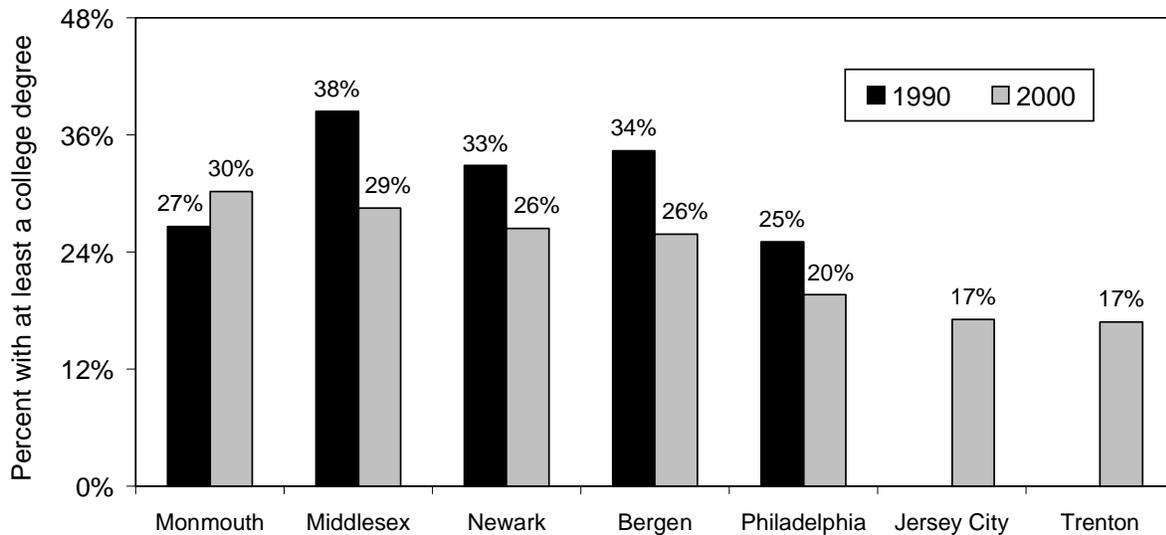
### Education levels even lower in home-based early childhood education

Education levels are even lower in home-based ECE in New Jersey than center-based ECE (**Figure D**). (Census data show home-based ECE to employ about 12,000 workers in 2000. CPS data put the figure higher, at 17,000 in 1998-2002 and 18,000 by 2000-04.<sup>6</sup>)

- Only 14% New Jersey home-based ECE workers has a college degree or more, compared to a center-based share in the 2000 census of 25%.

**FIGURE C**

**The decline in the share of center-based early childhood educators with a college degree in New Jersey metropolitan areas**



Note: The differences in the percent of center-based educators with a college degree between 1990 and 2000 in Monmouth, Middlesex, Newark, Bergen, and Philadelphia are not statistically significant. After pooling observations from Monmouth, Middlesex, Newark, Bergen, and Philadelphia, the college degree share in these five metropolitan areas is 31% in 1990 and falls to 26% in 2000, a change which is significant at the 5% level.

Monmouth includes Monmouth and Ocean; Middlesex includes Middlesex, Somerset, and Hunterdon; Bergen includes Bergen and Passaic; Philadelphia includes only educators who reside in New Jersey.

Source: KRC analysis of Census data.

- Whereas according to the 2000 census 43% of center-based ECE educators have a high school degree or less, in home-based ECE this same share is 53%.

## **Low wages and benefits help explain educational attainment in ECE**

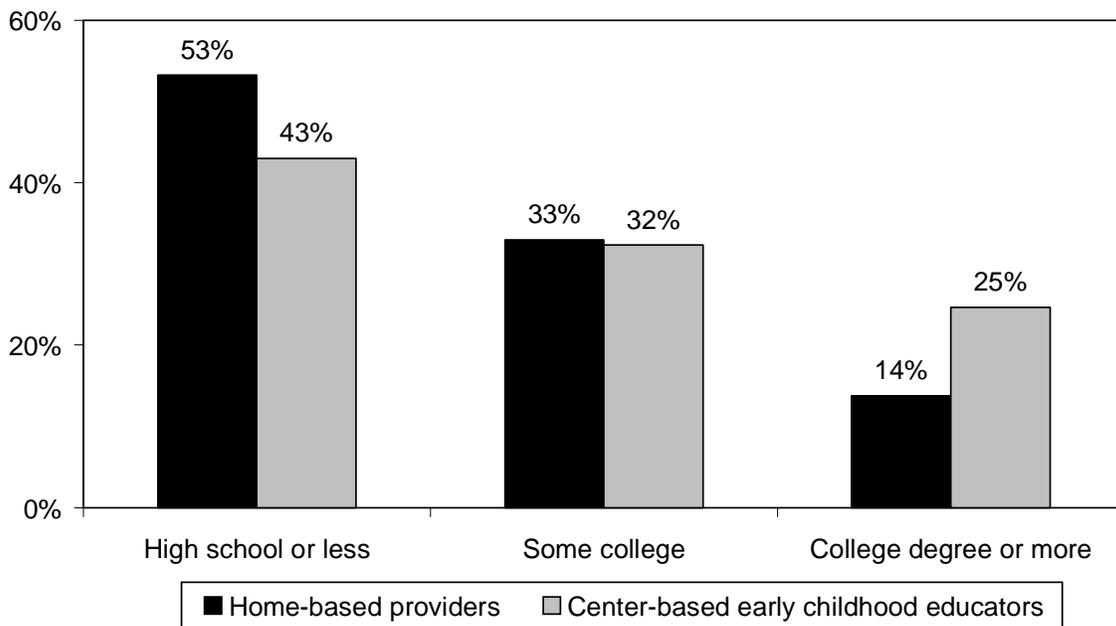
Since the mid-1980s the wages and benefits of New Jersey early childhood educators outside public schools have remained stuck relative to those of other workers.

### *Wages*

- Center-based early childhood educators have consistently earned roughly 60% of the wages of all New Jersey workers. Even in 2000-04, early childhood educators earned only \$9.66, compared to \$16.15 for all New Jersey workers.
- Even early childhood teachers and administrators earned a median wage of only \$12.02 in 2000-04, just 52% of the \$22.97 median wage of all female college graduates.

**FIGURE D**

**Education levels lower in home-based ECE in New Jersey, 2000-04**



Note: The differences between the shares of center-based early childhood educators and home-based providers with a high school education or less and with a college degree or more are each significant at the 1% level. The difference between the two groups in the share with some college is not statistically significant.

Source: KRC analysis of Census data.

As data for 2005 forward become available, they should show somewhat higher wages because Abbott district teachers in community-based programs must receive compensation comparable to their counterparts in the public school system.

***Health and pension benefits***

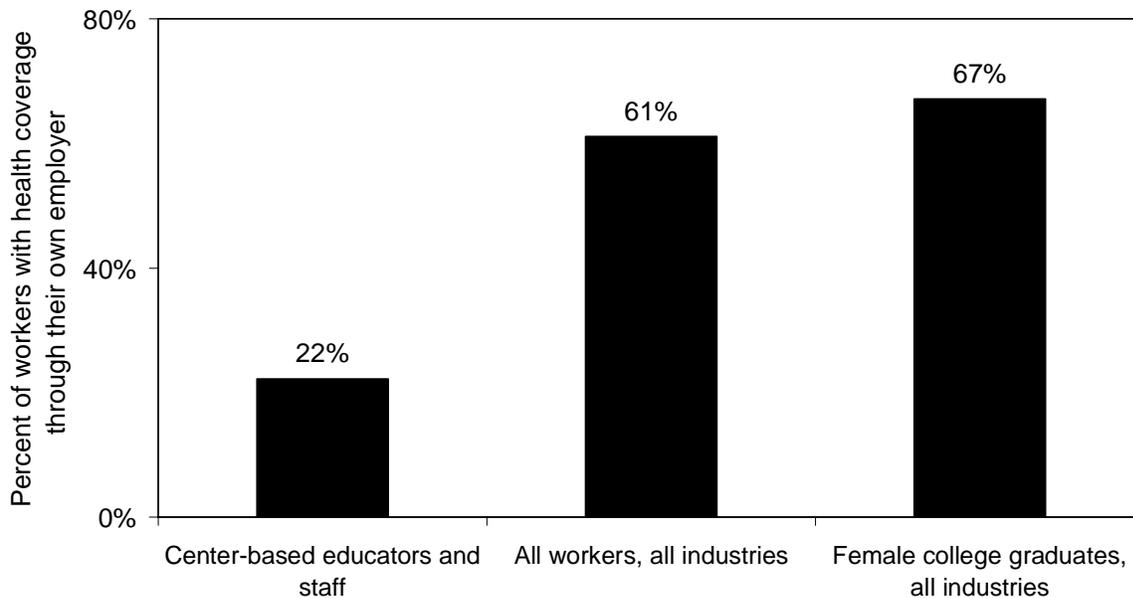
- Just over 20% of New Jersey center-based early childhood educators obtain health insurance through their job compared to 61% of all workers in all industries and 67% of female college graduates (**Figure E**).
- Twenty percent of center-based early childhood educators in New Jersey had no health insurance coverage versus 7% female college graduates.
- Only 14% of New Jersey center-based early childhood educators participate in any kind of pension plan, versus 51% for all workers and 67% for female college graduates.

***Share of workers below a basic necessity income***

- In 2000, 24% of all center-based and 41% of home-based early childhood educators lived below 200% of

**FIGURE E**

**A smaller share of New Jersey center-based early childhood educators receive health insurance through their own employer than other workers, 2000-04**



Note: The differences in the share of center-based educators and staff with health coverage through their own employer and the same share of all workers and female college graduates is significant at the 1% level.

Source: KRC analysis of the March CPS data.

the poverty threshold compared to 13% of all New Jersey workers (**Figure F**). Two hundred percent of the poverty line is considered roughly equivalent to a minimally adequate basic income high enough to cover the cost of basic necessities without public assistance.

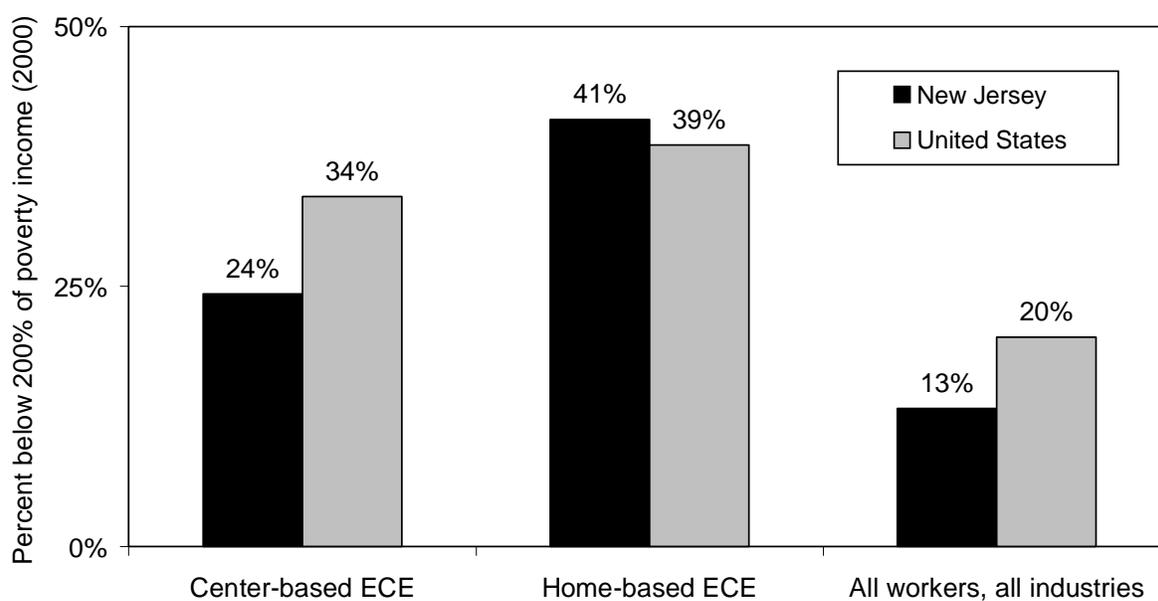
- Teachers and administrators in ECE were more than three times as likely to have incomes below a basic necessity income (17% versus 5%) as female college graduates.

## **New policies needed**

National data reveal that the most educated cohort in ECE today is in its 50s, having entered the industry in the 1960s and 1970s. With opportunities for educated women expanding, and more families highly dependent on women's earnings, it has become harder to attract and retain qualified teachers into ECE. As many of the better-educated early childhood women retire, the difficulty of maintaining an adequately qualified ECE staff will grow even more difficult. Industry demographics make it imperative that state and national policymakers act now to ensure the high teacher standards essential to long-term benefits from ECE programs.

**FIGURE F**

**A large share of ECE workforce lives below 200% of a poverty income, 2000**



Note: The differences between the share of all workers living below 200% of the poverty threshold and the shares of center-based ECE and home-based ECE living below the threshold is significant at the 1% level.

Source: KRC analysis of the Census.

A pragmatic and systemic approach to raising staff qualifications should mandate higher standards, as well as include phase-in periods and research and evaluation that deepen our understanding of the long-term benefits of different approaches to teacher education and professional development.<sup>7</sup> New Jersey has already started in the direction of mandating and phasing in higher standards as a result of the enforcement of the Abbott decision. Further steps are necessary to ensure that higher standards in Abbott school districts do not lead to lower standards elsewhere in ECE.

Any approach to improving staff standards in ECE will fail unless it also raises compensation to keep more qualified people in the field. The present reality will persist, with many ECE staff having low education levels, no meaningful training in early childhood development, and no opportunities to learn from experienced and qualified peers. It is well past time to recognize that society can't afford not to pay more for ECE teachers. Only with public investment can the community as a whole reap the long-term benefits of high-quality early childhood education.

## Endnotes

1. *Abbott v. Burke*, 163 N.J. 95 (2000) (Abbott VI). Two years earlier, the 1998 *Abbott* decision required the implementation of high-quality intensive preschool for all three- and four-year-olds. (*Abbott v. Burke*, 153 N.J. 480 (1998) (Abbott V).) The 2000 decision defined what was required for a high-quality program, including that teachers return to school for their degree.
2. These benefits include lower costs for subsequent education, increased taxes paid once children mature and enter the workforce, and reduced social costs (Lynch 2004). On the connection between teacher qualifications and quality in ECE, see Bowman, Donovan, and Burns 2000.
3. The small CPS sample size leads to some substantial fluctuations despite the fact that we are using a five-year average, such as the drop from 40% to 35% between 1983-87 and 1984-88. The Census, which has a much larger sample size, shows similar trends in the share of early childhood educators with a college degree or more, from 38% in 1980 to 31% in 1990 to 25% in 2000.
4. While the text relies on the Census when analyzing center-based teachers and administrators, CPS data for New Jersey shows a similar trend. According to the CPS, the college degree share for New Jersey teachers and administrators was 60% in 1983-87, 51% in 1998-2002, and 48% in 2000-04.
5. In the mid-1980s, the CPS series shows the share of teachers and administrators with a high school degree or less to be lower than 20%. In the 2000-04 period, the CPS shows the same share rising above 20% to 26%.
6. Industry experts believe that both the Census and CPS likely undercount home-based employment because they miss some unlicensed and unregulated providers.
7. See the national companion report for elaboration of this recommendation, available online at [www.earlychildhoodworkforce.com](http://www.earlychildhoodworkforce.com)

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