The elements that go into the definition of quality for early care and education are often more complex than what can be found in academic studies and state standards.

Providers and parents mutually cite experienced staff as a key indicator of program quality. However, providers struggle to meet the demand for their services, largely because of challenges hiring and retaining qualified staff.

There are several tradeoffs parents must make in order to access child care, many of which are related to career or professional opportunities. These tradeoffs can lead parents to prioritize availability and affordability over quality.

Potential solutions can benefit both parents and providers and lead to higher-quality care.
Investments in high-quality early care and education (ECE) can be described as a two-generational workforce strategy that can achieve a high public return on investment for a region’s future workforce while also helping parents participate in the current labor force. Both outcomes align with the Federal Reserve’s maximum employment mandate. Researchers have assessed which program elements lead to strong economic outcomes, and states have incorporated some or all of these components into their program standards. However, when we talk directly with ECE providers and parents with young children, the definition of high-quality early care is often even more complex than what we find in academic studies and state standards, and it can depend on a number of factors, such as location, family needs, and staffing challenges. Additionally, there are market constraints for both providers and parents that lead to tradeoffs that diminish economic benefits. This report examines provider and parent perspectives on offering and accessing high-quality ECE, as well as the associated barriers that exist in the current market structure.

This article is part of a series produced by the Federal Reserve’s Early Care and Education Work Group that explores the cost, affordability, and racial equity issues in ECE. The first three articles frame each of these issues based on existing research and data. The series finishes with this article, which explores these topics based on findings from human-centered design focus groups conducted with ECE providers and parents with young children. Quotations in this article are from ECE providers and parents who attended the focus groups.

Introduction

To better understand the perspectives surrounding quality ECE, the Federal Reserve System’s Early Care and Education Work Group, in partnership with Public Works Partners, hosted a series of focus groups with providers and parents with young children (younger than 5). These sessions helped provide qualitative insight into the lived experiences of providers and parents when it comes to accessing and providing quality ECE, the tradeoffs from both parents and providers to meet the demand for services, and the areas of opportunity for support. While providers and parents approach the ECE system from different perspectives, they mentioned many similar challenges and potential solutions.

The sessions focused on providers who serve low- to moderate-income (LMI) families and families who likely experience barriers to accessing care based on geographic area or income level. Additionally, recruiting efforts considered racial diversity, given the racial inequities that persist in the ECE system. Of the 25 providers, 12 serve a majority of families who receive government assistance to pay for care. Of the 18 parents, 13 receive a child care subsidy and a majority of participants had an annual household income level below $50,000. Other characteristics considered when recruiting participants were the number of children and the type of provider.

Indicators of Quality from Parents and Providers

Across the focus groups, parents and providers were asked to share the elements of ECE that they feel result in high-quality care. While many components support high-quality care, the following were the most common answers across provider and parent groups.
Providers Emphasize Teacher-Child Interactions and Staff Diversity

As mentioned previously in the report, *What Drives the Cost of High-Quality Early Care and Education?*, "The quality of relationships and interactions between teachers who regularly interact with children is the most important aspect to achieving positive developmental outcomes for children." Both parents and providers agreed with that statement on principle but differed on how it is measured. For providers, having low staff-to-child ratios is a key component to helping ensure quality interactions. Ratios are recognized as important by providers but are also required by state licensing agencies. But adhering to licensing requirements is not the only reason providers value low ratios. One child care center provider from a suburban area shared their experience with ratios and why it matters. "But I think that having small ratios really helps for those quality interactions between the staff and the children," said the provider "because when the teachers get overwhelmed, having to juggle many, many little people and the classroom, then the quality of interactions, it diminishes."

Another component providers emphasized was the ability to build trust with families. A key part of building a trusting relationship was cultural competency and hiring staff that represents the race and ethnicity of the children served. One home-based provider from an urban area mentioned the importance of creating a home-like atmosphere: "We want our children to feel at home, comfortable, and respected for their unique identity." Another center-based provider from an urban area called out diversity specifically, "I can’t emphasize the [importance of the] amount of diversity and cultural involvement in our program."

As an element of cultural competency, several providers mentioned the value of having a bilingual teacher in their facility. This can lead to increased inclusivity and more communication between providers and families, both of which were key elements listed by providers in supporting high-quality care. Unfortunately, offering this remains a struggle for many providers. One center-based provider from an urban area stated, "For us to have someone who could do sign language or to speak a different language along with being a quality teacher — it’s just kind of hard to come by right now. But I think all those things are important."

Another home-based provider from an urban area mentioned that although they would love to have bilingual staff [members], "that is a preference we can’t afford to prioritize. There aren’t enough candidates to be that selective."

Parents Highlight Safe and Enriching Environments

Parents also agree that the interactions between their children and the facility’s staff is a critical aspect of high-quality care that can lead to positive developmental outcomes for their children. Parents measure the quality of staff interactions through what they are able to witness during their daily contact with staff. One parent who sends her two children to an urban-based center described how observing the staff interactions during a visit reassured her: "But just being there and watching the way that the secretary knew every single kid’s name, I was like, okay, I’m already in processing that this is like a family-type environment, even though it’s a relatively large learning center."

Another parent with three children emphasized having regular contact with their center-based provider was a
key indicator of quality for her family. “That’s a big part of quality care and having that access to [staff members], because we’ve gotten so used to our child’s teacher and she’s essentially helped us raise our youngest daughter.”

One area frequently listed by parents as a component of high-quality child care was safety and reliability. When asked what their number one component of high-quality care was, one urban-based parent said, “Due to the fact that I live in a more high-crime, dangerous neighborhood, safety’s number one.” Another parent emphasized the importance of being able to check in via video on their child to ensure they are in a safe environment after drop-off: “Through this experience, I’ve learned that it’s necessary to look into that and to see if they are required to have a video or not. So that’s became my main priority right now, the video surveillance on to make sure that if anything was to happen, there is that evidence, that availability of it.”

Parents talked about the importance of diverse and inclusive child care settings and often placed it higher than other components of quality. One suburban parent with two children stated, “If there was no money involved and I didn’t have to worry about the cost of New Jersey living, car insurance, food, all that, then it would be diversity and inclusion first.”

Offering a curriculum in languages other than English or having staff members who speak different languages was highlighted by parents as a key element of a facility’s inclusivity. For some parents, a bilingual staff is a prioritized element of care they seek. One parent shared, “[It’s] important to me for her to know Spanish. So I always look at do they have that included in their curriculum.”

One key area defined as high-quality by parents was the extent to which they felt their child was going to be kindergarten-ready upon their exit from the child care setting. One parent who sends her children to center-based care talked about the importance of experiential learning that prepared her daughter for kindergarten:

“[The facility] really taught her like how to hold scissors, how to hold a pencil, how to maybe start reading her letters, maybe shapes.”

Additionally, many parents described a high-quality curriculum as one with high levels of engagement between their child and peers as well as between the children and the provider. Parents want their children in an enriching environment. One parent with two children in an urban-based center mentioned, “I’m on top of curriculum...I don’t want my children in a place where someone’s basically going to babysit them all day. I want them to be engaged. I want them learning.”

Overall, parents and providers agree that staff interactions with parents and children are key to providing high-quality child care. Providers tend to rely on more objective criteria such as staff experience, low child-staff ratios, and ability to speak multiple languages to measure if staff are meeting this goal. Parents tend to focus on more subjective criteria, including observations during drop off/pick up, monitoring their child’s development, and choosing child care that is representative of their cultural and racial backgrounds and that offers a comfortable level of safety and security.

### Attracting and Retaining Experienced Teachers Is the Largest Challenge

While experienced and/or certified staff is the most important indicator of quality across both groups, providers cite difficulty in finding and retaining high-quality teachers as their largest burden in running a quality program. Nearly three in four child care businesses reported resorting to — or were planning to resort to — layoffs, furloughs, and pay cuts (73 percent) during the pandemic. However, staffing challenges in the ECE system have long preceded the pandemic, and ECE teacher turnover is often attributed to the combination of wages, benefits, and working conditions. One center-based provider in an urban area shared the importance of raising teacher wages, “A teacher can’t bring their best self [to work], even if they’re the best teacher in the world, if they’re under financial stress. Which, to me, is why paying our teachers what they deserve solves so many problems.”

The ability to raise wages and offer additional benefits has been the largest barrier for providers in attracting new talent and retaining their current staff. Providers recognize that the added benefit of increasing wages or benefits could pay dividends, both for the sustainability and quality of their program, but are unable to do so in the current market structure. This finding is consistent with prior research that shows a positive relationship between higher teacher wages, increased program quality, and lower turnover rates. One center-based provider in an urban area shared her perspective on the challenges with raising teacher wages,
“We all want to pay our teachers more money, but unless we have our parents pay more money or the state or the federal government pay more money, we could only pay so much to our teachers.” Given the limited margins on which most providers operate, raising the price of care to increase staff wages would either burden parents who are already struggling to afford care or drive families to lower-priced providers.

Several providers spoke about their staff’s frustrations and that, despite their commitment to their facility and the families they serve, they feel that there is limited economic opportunity as an ECE professional. One provider mentioned, “It’s widely known that you can’t make a living wage [as an ECE professional] and that it will take you your entire working career to pay off the education to be a certified teacher.” Additionally, high demands on providers to deliver quality care has stretched beyond the day-to-day needs of children, and providers are often required to wear many hats to run their business. Providers stated that the administrative tasks required to manage public funding and regulatory systems are difficult to navigate and often takes away from time they could spend with the children they serve. The many responsibilities required of ECE professionals can lead to burnout, a factor that was cited by providers as contributing to loss of staff and a hindrance to offering higher-quality services.

To compound the retention issue, many providers lose staff to higher-paying jobs, particularly in the K–12 system. Providers stated that it is not uncommon to train and certify a teacher, only to see them leave soon after for a higher-paying job with benefits. This trend was consistent across participants from differing geographic areas and for both child care centers and home-based providers. Providers feel that “once the public school needs a credentialed teacher, they end up taking them from us because we can’t compete on the benefits side.” There is academic research consistent with this experience, showing that ECE teachers with college degrees in the field often leave the sector for higher-paid roles in the K–12 system.

Furthermore, providers struggle to find quality teachers in the first place and feel that “people are not looking to become certified in early education anymore.” Providers feel that there is little being done to attract potential ECE professionals to the workforce, in large part owing to their inability to compete with the public school system on wages and benefits. Providers shared that there exists a lack of respect for the profession, which further impedes investments from public funding systems and contributes to the narrative “that we [ECE professionals] don’t deserve to be paid more.”

To further demonstrate the experience of providers operating in the ECE market, a Provider Persona (Figure 1) follows that highlights a profile of a home-based provider operating in an urban environment from the focus group. The Persona is a hypothetical person based on comments from several focus group members.

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**Career or Professional Tradeoffs Lead Parents to Prioritize Availability and Affordability**

Challenges with child care affordability can ultimately lead parents who want or need to work to instead stay home with their children, work fewer hours, or turn down higher-paying jobs. Parents in the focus groups discussed challenges in securing care for their children, including the limitations of available care hours, the distance of providers from their home or work, and mental strain.

Parents from urban, suburban, and rural areas all gave examples of their work- and career-related tradeoffs. One mom from a rural area explained, “I do mental health consultation and I was offered a position to work for a private practice, which would’ve been really lucrative for my family. But it was in a different city — a neighboring city. So, because of child care and accessibility and how rural we are where we live, I had to maintain my current position working in an early childhood facility that was in the same place where I could bring my child. So that was a big detriment to our family.” Several parents mentioned tradeoffs due to the limited hours of child care, including having to decline job offers, additional hours at work,
and promotions because their child care provider does not offer extended hours. They also report that this can affect the types of job they end up taking. “I’m trading off my skill set. I’m not taking jobs that I’m qualified for. I’m just kind of going to work because it works for my child care center, not because it’s something I want to do, not because it’s something I like. I take jobs I know I’m overqualified for because the hours that I need are structured to that of a child care center.”

Given the professional tradeoffs parents face when selecting care, elements of availability tend to be prioritized out of necessity over elements of quality. Therefore, many parents, particularly those on a subsidy or voucher, are not in a position to demand higher-quality care because they can’t afford it. Quality Rating and Improvement (QRIS) and national accreditation systems articulate quality elements for ECE programs, with the goal of supporting child development outcomes. The criteria are intended to inform and empower parents, yet many parents are not in a position to demand these elements of care because they have to first meet their family’s economic security needs.

The COVID-19 pandemic has intensified challenges for parents, particularly around the availability of care.

**BACKGROUND**

Provider operates a home-based program in Minneapolis. She loves her job, but because wages are so low she cannot afford to hire qualified staff. Provider sees her program as providing an essential service during the COVID-19 pandemic. She applied for a PPP loan, but these funds take a long time to be disbursed and are unhelpfully prescriptive in how they can be used. Provider is worried that without significant, ongoing investment, she eventually will have to close her program. Provider envisions an ECE sector with expanded federal support that receives the respect it deserves.

**PRIORITIES**

- Hire qualified staff
- Provide the best care possible, with culturally relevant curricula
- Ensure program sustainability in the midst of ongoing pandemic

**BARRIERS**

- Difficulty finding and adequately compensating qualified staff
- Federal payments are unsustainable and administratively cumbersome
- Business management is time intensive and difficult to balance with other responsibilities

**VISION**

- Ongoing federal investment in ECE
- Higher wages for all
- ECE respected as a field

**PROVIDER TYPE**

Home-Based

**FUNDING SOURCES**

Child care Subsidy, PPP, Food Program

**LOCATION**

Minneapolis

“It’s difficult to find quality teachers because no qualified teacher is going to work for $10/hour. We need benefits and incentives to keep them there.”
Researchers estimate that two-thirds of child care centers closed in April 2020, and one-third remained closed in April 2021, leaving parents scrambling to find care and often managing it on their own while working or searching for work. One parent explained, “The decision of taking a job depends on [child care]. For example, a lot of companies want you to work from home. If you have a baby like me (I have a 15-month-old baby), if that baby is home and I’m doing customer service, it’s just impossible to get that job. So, it’s a job that I wanted to take, I was not able to just because of that. Because at that time, I did not have child care, I was on the wait list.” A single mom attributed her inability to land a job to inconsistent care. She explained that during her job hunt, her children were often sent home with the “sniffles” for fear that it was related to COVID-19. She explained, “I came across as so flaky and inconsistent because I had periods of time where I had no idea how to predict [my available child care].”

Parents who receive a child care voucher or subsidy have even more constrained access to child care, and their ability to prioritize elements of quality is more inhibited. One parent shared about the limitations of care that come with receiving public assistance, “If you’re someone that has a voucher, the access is limited. I don’t have many options — if they don’t take the voucher, they don’t take the voucher.” These constraints force parents into difficult choices in order to best balance the highest-quality care they can financially and logistically access, based on their location and job or school responsibilities.

Families who receive a subsidy or voucher have to consider at which level they might lose their assistance against potential household economic growth, often referred to as the benefits cliff. One parent from a dual-income household in a suburban area described his family’s challenge navigating the subsidy system: “It’s just, I don’t understand how they [state officials] do the math because they will give you a chart and say, ‘Okay, if you are five people like myself, we’re going to help you as long as you don’t make $57,000 a year.’ Two people working, three children. If we don’t make more than that, we cannot afford to pay our bills. So that means what we going to do, we have to work less to have help from the child care. Or we have to give up the child care just to help and pay the other bills.”

To further illustrate the tradeoffs made by parents to balance the need for child care against household financial security, a Parent Persona (Figure 2) follows that demonstrates the experience of a parent in an urban area who receives a state-provided child care voucher for her two children. The Persona is a hypothetical person based on comments from several focus group members.

**A Path Forward: Perspectives from Parents and Providers on Solutions**

At the conclusion of the focus groups, we asked parents and providers to share ideas on how to address barriers to high-quality care. An overwhelming share of the responses from both parties pertained to more support from the government. Additionally, both groups feel that parents and providers should be more involved in the design of government supports so that they more effectively meet their needs. One center-based provider in an urban area stated when asked about potential solutions, “I would say seats at the table where there’s true collaboration, and people who are on the front line helping to design the process.”

Providers had several ideas on what forms government support could take, from providing tax rebates for child care businesses to making child care employees federal workers (with commensurate wages and benefits). One home-based provider thought it would be beneficial to
receive support specifically for improving home-based facilities to make them more “teachable.” Multiple home-based providers mentioned the need for bookkeeping services or training, which would allow them to spend more time and resources on the classroom. Home-based providers also stated that they often feel they are left out of the public benefits system based on the disparities in funds between center- and home-based facilities. One home-based provider in an urban area shared this experience, “The money coming to early education, it’s skipping over the family daycare providers. It’s skipping over us.” Another home-based provider shared a similar sentiment regarding access to state or federal funding programs or trainings, “We don’t have anybody to navigate for [home-based providers].”

Many providers reiterated that any kind of government support should be ongoing, rather than a one-time payment. A majority of providers agreed that they would use such funds to improve compensation for their employees, whether it was through increased wages or retention bonuses. One provider plainly stated when asked about potential solutions, “A living wage would be great.” Both providers and parents quickly tied monetary support for staff to improved quality, specifically through higher staff retention. One home-based provider said

BACKGROUND

Parent lives in St. Louis with her two children, ages 1 and 4. She works across town in the hospitality sector, although her degree is in accounting. Parent envisions a world where child care is free and staffed by well-paid, qualified providers teaching a culturally competent curriculum. Although she is satisfied with the quality of her ECE provider, Parent has had to turn down multiple job opportunities more aligned with her professional qualifications in order to pick her children up from school in a timely fashion. These challenges have only intensified during the pandemic.

PRIORITIES

• Provider location
• Affordability
• Strong, culturally relevant curriculum

BARRIERS

• Cost of child care
• Transportation to and from provider
• Provider’s hours make it difficult to pursue opportunities for career advancement

VISION

• Child care provided for free or at highly reduced cost
• Improved provider quality, particularly in curriculum and staff capacity
• Flexible hours

RACE Black or African American
INCOME $25,000 annually
LOCATION St. Louis
that “helping us with teacher pay” would “make the job attractive” and “bring quality.” A parent in an urban area who receives a child care subsidy for her three children noted the same thing, saying that she’d want government support for “better paid staff — that way staff remains.”

Parents shared that government support could help them afford child care and access higher-quality programs. The supports they suggested also took on different forms, including scholarships for infants and payments based on a sliding scale. “Even if we’re going to pay,” one parent said, “if you have to pay thirty percent, forty percent of your income to child care, then it makes life harder than it’s supposed to be.” A provider acknowledged this, too, suggesting that government support could help providers lower their costs and provide more families with quality care. “I definitely think that funding will go a long way,” they said, “...just because there are a lot of families out here who are looking for quality child care, but they can’t afford it. And so it goes hand-in-hand to have that funding along with quality child care.”

Many of these potential solutions to barriers to high-quality care also relate to factors — like staff retention and affordability — that would better enable parents to work. Any future governmental support can consider solutions like these that would meet both providers’ and parents’ needs. Holistic solutions that account for the need of the parent, the constraints of the provider, and the development of the child can potentially create a more sustainable ECE system and a more equitable market for parents to access high-quality care.

**Endnotes**

1 The authors would like to thank the Federal Reserve System’s Early Care and Education Work Group for their helpful and collaborative effort in the data collection, analyses, and syntheses efforts.

2 The formal definition of ECE can be found in the Appendix.


7 See the Appendix for additional demographic information and recruitment criteria for participants.

8 Chung, Coria, Evans, and Kent, *Expanding Access*.

9 Grunewald and Stepick, *What Drives the Cost*.

10 Grunewald and Stepick, *What Drives the Cost*.


12 Grunewald and Stepick, *What Drives the Cost*.

13 Horowitz, Townsend, and Birken, *Childcare Affordability*.

14 Grunewald and Stepick, *What Drives the Cost*.


16 For more on benefits cliffs, see www.atlantafed.org/economic-mobility-and-resilience/advancing-careers-for-low-income-families/what-are-benefits-cliffs.
Appendix

ECE Sector Defined

The early care and education (ECE) sector comprises a variety of government-, nonprofit-, and for-profit-operated programs. Head Start (ages 3–4), Early Head Start (ages 0–2), and state prekindergarten programs (most age 4, some 3-year-olds) are funded by federal and state governments. Meanwhile, the majority of revenue at most child care centers, home-based family child care, and private preschool programs comes from family tuition payments. Some of these providers receive government funding, such as child care subsidy payments.

The data used throughout this report were collected across a series of four focus groups, two hosted for ECE providers and two hosted for parents with young children (younger than 5). In partnership with Public Works Partners, the conversations were facilitated by an ECE provider and a parent, respectively. Participants were selected based on a targeted set of criteria, and 43 participants were represented from nine states across eight Federal Reserve Districts.

Twenty-five providers participated across two sessions, representing 15 home- or family-based and 10 center-based programs. Twelve of those providers serve populations in which a majority of families use a state-provided child care subsidy or voucher, and at 17 of those providers, at least 30 percent of slots are used for families on subsidy or voucher programs. The providers primarily represented urban areas, with a few from suburban and rural areas. See Figure 3 for the racial and ethnic distribution of the providers.

**Figure 3**

Providers by Race/Ethnicity
Across the two parent sessions, 18 parents participated. Of the total, there were 13 parents who received a state-provided subsidy or voucher. The parents primarily represented urban and suburban areas, and a few were from rural areas. See Figures 4 and 5 for the racial and ethnic and income distribution of parents.