

# Michigan is sending a \$1,000 ‘thank you’ to early educators. Is it enough?

By Koby Levin Nov 9, 2021, 6:34pm EST



*Full-time child care workers are eligible for a \$1,000 bonuses, while part-time workers can get \$500.* Emily Elconin for Chalkbeat

Many early educators in Michigan will soon receive \$1,000 bonuses, a ‘thank you’ to thousands of workers across the state who stuck with challenging, low-paid, and essential jobs through the scariest days of the pandemic.

Child care providers are welcoming the money, which comes from federal COVID aid, even as they say they are struggling mightily to hire for those same jobs.

“I’ve tried everything,” said Beverly Hogan, director of three child care centers in the Detroit area. “They might send a resume, then no call, no show.”

In an effort to attract more staff, Hogan increased entry-level pay in her centers in recent months by \$4 an hour, putting it at \$13 — far below the Michigan median hourly wage of \$19.

Labor shortages in various industries are making headlines as the pandemic reshapes the economy. For the child care sector, a tight labor market only adds to profound problems with turnover and hiring that long predate the pandemic.

“We’ve been sounding the alarm for years now that child care workers are completely underpaid and undervalued,” said Matt Gillard, president of Michigan’s Children, a nonprofit advocacy group. “A \$1,000 bonus is not only appropriate but overdue. But it’s not a long-term solution. We fundamentally have to change the program so that we can make this a profession that’s viable.”

The bonuses will be paid to full-time child care workers or administrators currently on payroll at centers or home-based programs. Part-time employees are eligible for \$500.

Providers can also apply to receive up to \$1,000 for incentive payments for new hires.

A large boost in federal child care spending in response to the pandemic helped most programs remain open despite sharply reduced enrollment and increased costs related to COVID prevention. At least several hundred Michigan child care programs, or 6% of the total, closed during the pandemic, fewer than was feared in the spring of 2020.

More financial help is on the way. Gov. Gretchen Whitmer announced this week that providers can now apply for a share of \$350 million in stabilization funds that will go toward bonuses and hiring incentives. Another round of grants is expected to go out in 2022.

The state also used federal funds to increase payments to providers who serve low-income children. And income requirements for the subsidies were raised, meaning more families qualify for support with child care tuition.

But those funding increases are temporary and advocates say larger, structural changes are needed. A major additional influx of federal support for early childhood education is on the agenda in Congress, which is weighing a proposed expansion of the U.S. social safety net that includes child care provisions. But the fate of that legislation is uncertain as Democrats hold a narrow majority.

The economics of the child care industry are largely determined by government funding levels, especially in low-income communities where parents typically can’t afford private care costs that can be on par with University of Michigan tuition.

Providers have used COVID relief funding to increase pay and benefits for their staff, but they often can’t compete with other hourly industries.

“I love my job, but from the outside looking in, who wants to teach?” said Monique Snyder, director of Brainiac’s Clubhouse Child Care Center. “People say, ‘You want me

to sit in this classroom with these kids and make \$32,000 per year? I could go to Amazon and do that.”