2024

TECHNICAL REPORT

RESPECT for Early Educators

What happens when we pay them more?

preschool PROMISE

because the first 5 years matter

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Executive summary

There is a workforce crisis in the early childhood education profession. Research shows that the quality of child-teacher interactions and relationships is the most important factor in supporting positive child development outcomes. However, providers are challenged to recruit and keep highly qualified early educators. There are people who love this work and are dedicated to giving children nurturing early education. But the wages are so poor that the workforce – made up of mostly women, many of color – can't afford to stay in a profession that pays poverty-level salaries.

Generously funded by Blue Meridian Partners and supported by Learn to Earn Dayton, the RESPECT pilot was designed to examine what would happen if salaries were increased. Would more individuals take positions in the field? Would employees be more likely to stay on the job? Would they be more satisfied at work?

Implemented in the 2022-23 school year, the one-year pilot involved 14 child care sites that collectively employ approximately 270 child care staff in a historically under-resourced, predominately Black neighborhood in Dayton, OH. We understood from the outset that this research project would be too limited to answer all our questions with absolute authority. But RESPECT did result in important findings that merit follow-up and that will inform Preschool Promise's work to lift up and advocate for our dedicated, underappreciated and woefully underpaid early educators.

RESPECT participants could elect to receive a non-taxable grant of up to $400/per month or a taxable stipend of up to $500/month. The grant option was conceived to prevent the lowest income participants (those who received a public benefit or earned under 200% of the Federal Poverty Level) from being subjected to the so-called "benefit cliff." If they were to lose benefits (such as SNAP or Medicaid) because they received a RESPECT wage supplement, the point of the project would be defeated. They likely would be worse off financially because of our intervention.

During the 12-month pilot, over 250 employees received an average of $400 per month, with a total distribution of $1.16 million.

Our findings include:

- Approximately half of RESPECT participants qualified for and accepted grants – affirmation of the high number of early educators living in extremely low-wage households.
- The pilot had a significant positive impact on retaining teachers whose household income was below 150% of the Federal Poverty Level. However, the overall turnover rate of this group was still high at 23% compared to 9% for those with income above 150% of the FPL.
- The likelihood of workers leaving their position decreased with tenure.
- Children in RESPECT classrooms had significantly higher school readiness skills in the area of executive function compared to the control groups.
- Contrary to expectations, we found that feelings of helplessness increased among RESPECT early educators relative to the control group.
- There was no significant improvement in emotional and financial well-being among RESPECT recipients (conceivably because they understood the project was time-limited).
- Qualitative data was overwhelmingly positive, with RESPECT participants expressing profound gratitude for their wage supplements. Many said the payments markedly improved their lives.

What we gleaned from this research is not surprising:

- To attract and retain highly qualified early educators, they must be paid a fair, livable wage, commensurate with their incredible responsibility of teaching and caring for young children.
- The "benefit cliff" must be a paramount consideration when devising ways to increase early childhood educators' wages, lest the educators become worse off for the effort.
- The lowest-paid early childhood educators are the most prone to quitting, suggesting those wages, in particular, need to be increased.
- Early childhood education is a stressful field, requiring more attention and focus on employee well-being.
- Improving wages alone is unlikely to make the profession more attractive. Other considerations – inflexible schedules, meager benefits, increasingly challenging behaviors by children, subpar working environments and leadership turnover – all play a role in creating and perpetuating the workforce crisis in early childhood education.

A compelling need for change

The early learning and child care system in our community – and across the country – is broken. At the heart of the problem is a longstanding workforce crisis. Early childhood educators are paid so poorly that programs can't attract and keep well-trained employers. With generous funding from **Blue Meridian Partners** and the support of **Learn to Earn Dayton**, we initiated a small-scale pilot program designed to answer these questions:

- Would increasing salaries attract more individuals to the field?
- If they were paid more, would they stay in the field?
- Would they be more satisfied on the job?

The Dayton-Montgomery County Preschool Promise's vision is that every child in Montgomery County, Ohio, is ready for Kindergarten. That goal won't be met if young learners are not taught by qualified professionals who can afford to stay in the field and who love coming to work every day. But the median salary for local early educators is less than $15/hour – less than a livable wage.

Reflecting the purpose and spirit of the initiative, RESPECT is an acronym for **R**ecognize, **E**mpower, **S**upport and **P**ay **E**arly **C**hildhood **T**eachers and staff. This pilot was limited to one historically under-resourced, predominantly Black neighborhood in Northwest Dayton. RESPECT was a piece of a puzzle – one of several programs aimed at providing neighborhood-based support to advance racial and economic equity in that targeted community.

Implemented in the 2022-2023 school year, the one-year RESPECT pilot was designed in consultation with early learning programs in the neighborhood, including non-profit, for-profit and Head Start programs. Administrators and teachers from all programs in the target area were invited to participate in a series of planning meetings where they were asked to tell us what they needed to address their workforce challenges.

These early educators echoed the findings of national, state and local qualitative and quantitative data. They were unanimous that staffing was the most significant hurdle they face and that has much to do with the low pay.

Specifically, planning group members said:

- They struggle to recruit and retain staff, even more so today in the wake of the COVID-19 pandemic that resulted in an estimated 30% reduction in the local child care workforce.
- They cannot pay living wages due to the low margins of their businesses and families' inability to pay the "real" cost of quality early education.
- State and federal policies fail to support early learning educators who are the workforce behind the workforce and deserve a living wage.

Based on this input, the RESPECT pilot's primary goal was to increase staff wages, which, we theorized, would have a positive impact on recruitment and retention. We launched the one-year program with the hope that funding would be extended for a second year. Data collection and program analysis would allow us to measure the impact of the pilot and use our results to inform internal program strategies at Preschool Promise and influence policy at the local, state and national level.

Beyond gathering local feedback on the design of the RESPECT pilot, Preschool Promise consulted with other non-profit organizations, attorneys and tax experts. A critical consideration in developing the pilot was ensuring that employees receiving public assistance (SNAP, Medicaid, etc.) did not lose these benefits by accepting wage supplements.

After extensive research, we learned that by awarding "grants" to eligible employees, they would not be subject to the so-called "benefit cliff" – having to forfeit essential benefits because of a wage supplement.

Wages are not the only challenge facing the early childhood education field. Others that RESPECT was not designed to address include:

- Inflexible work schedules
- Meager or non-existent employee benefits such as health insurance, paid time off and retirement savings
- An increase in challenging behaviors by children in classrooms
- Subpar working environments
- Leadership turnover and/or a lack of key management skills

In Summer 2022, Preschool Promise finalized guidelines for the program. Fourteen child care sites elected to participate. All 14 sites were Preschool Promise partner programs. As such, their employees may participate in our free, evidence-based professional development and receive coaching; their families may receive tuition assistance from Preschool Promise; and they could turn to Preschool Promise for technical assistance and financial assistance, including for purchasing assessments and curriculum.

Collectively, these 14 sites employ approximately 270 child care staff. In response to our marketing efforts and encouragement by the administrators, 92% of the employees participated in the program.

RESPECT pilot neighborhood and participant characteristics

Once a thriving residential area adjacent to downtown, Northwest Dayton has experienced concerted, policy-driven disinvestment and systemic racism for decades. Redlining policies deemed the neighborhood high-risk for home loans, fueling "white flight" to surrounding suburbs. This trend was significantly exacerbated by busing for integration that began in 1976. The reduction of the area's population and home values led to a shrinking tax base in the City of Dayton, concentrated poverty and neighborhood blight. These factors perpetuate racial disparities that are profoundly evident today.

Currently, 80% of the 34,000 residents in Northwest Dayton are Black, and the median household income is $25,000. There are approximately 19,700 housing units, of which just 32% are owner-occupied compared to 64% in Montgomery County.

Neighborhood characteristics of RESPECT pilot families reflect:

- 32% live in neighborhoods whose residents' income is less than 100% of the Federal Poverty Level (FPL)
- 47% are female-headed households
- 33% of residents are receiving SNAP benefits
- 16% of adults have less than a high school degree
- The percent of adults with a Bachelor's degree or higher is a meager 15%

Demographic profile of RESPECT pilot participants

Household income

RESPECT pilot participants were asked to provide their household size and an estimate of their household income. This permitted an estimate of the ratio of their household income to the Federal Poverty Level, given household size. More than a third (35%) of participants were estimated to live in households with incomes below the FPL; another 16% lived in households earning 100% to 150% of the FPL.

Ethnic identity

Participants self-reported their ethnic identity as:

- 87% Black
- 6% Multi-racial
- 2% White
- 5% Other or unknown

Employment positions

All employees at the RESPECT pilot sites were encouraged to participate in RESPECT, even if they did not work in a classroom. This inclusive approach was requested by the administrators in recognition that their entire staff contributes to the success of a thriving child care center. While Lead Teachers were the majority of participants, other positions were also represented:

- 31% Lead Teachers
- 29% Assistant Teachers
- 5% Teacher Aides/Floaters
- 13% Administrators
- 7% Other Professional Staff
- 15% Non-professional Staff

Education

40% of participants were college graduates, including:

- 15.5% with an Associate's degree
- 18.8% with a Bachelor's degree
- 5.5% with a Master's degree

Program design and implementation

Application process

Multiple information sessions were held during the launch of the pilot to explain the program requirements and the application process. All applications were submitted online and evaluated for eligibility by the RESPECT Project Manager.

Early learning staff could apply for a non-taxable grant of up to $400 per month if documentation showed evidence of need, defined as verification of household income less than 200% of the Federal Poverty Level or that they received at least one public benefit, including Medicaid, SNAP, Publicly Funded Child Care, WIC, housing assistance or Supplemental Security Income (SSI).

CHART 1: **2022 RESPECT pilot income limits based on 200% of Federal Poverty Level**

Number of people in household	Maximum household income
1	$27,180
2	$36,620
3	$46,060
4	$55,500
5	$64,940
6	$74,380
7	$83,820
8	$93,260

Employees who did not qualify for a grant were able to apply for a *taxable* stipend of up to $500 per month (slightly higher than the grant in recognition of the associated tax obligation). These applicants were not required to provide income/benefit documentation and were automatically eligible with confirmation by their administrator of their employment and part-time or full-time status each month.

Approximately half of the participants applied for and qualified for grants.

In addition to designating the selection of a grant or stipend, applicants were asked to complete demographic information and answer a set of survey questions. The monthly survey included questions linked to recognized scales for workplace satisfaction, job turnover risk, workplace dignity, perceived stress and financial well-being. Survey responses were subsequently used in our data analysis of the program's impact (see page 12).

Once eligibility was confirmed, participants submitted an IRS W-9 form and bank information to allow direct deposit of payments. Participants were required to re-apply for the program each month. This allowed participants to confirm or change their selection of a grant or stipend, provide documentation as required and answer the survey questions.

Administrators from the sites submitted information about their employees each month via a standard spreadsheet. In addition to confirming employment, they reported additional employment data and a determination of either part-time status to designate the correct payment amount. (Between 48-120 hours/month was considered part-time; full-time employment was greater than 120 hours/month.) They were also instrumental in inviting new employees to participate in the program throughout the year when turnover resulted in hiring additional staff.

Payments to RESPECT participants

Eligible grant applicants received $200 per month for part-time status or $400 per month for full-time status. Eligible stipend applicants received between $175 - $500 per month, depending on their part- or full-time status, education level and tenure. The weighted approach for the latter was requested by participating administrators to acknowledge and reward employees who had furthered their education and/or remained in their employment.

During the course of the 12-month pilot, over 250 employees received an average of $400 per month, with a total distribution of $1.16 million. This total includes a final bonus payment of $250 to eligible participants following the last active month of the program and was not tied to hours worked.

CHART 2: **RESPECT pilot Monthly Stipend Eligibility**

Education level	Employment status	Less than 1 year with employer	More than 1 year and less than 4 years with employer	4 years or more with employer
Bachelor's or higher	Full-time/ Part-time	$410 / $204	$475 / $237	$500 / $250
Associate's	Full-time/ Part-time	$390 / $200	$460 / $230	$480 / $240
CDA	Full-time/ Part-time	$375 / $187	$445 / $222	$470 / $235
High school grad or less	Full-time/ Part-time	$350 / $175	$420 / $210	$445 / $222

Advisory committee

An Advisory Committee was established for the pilot to oversee program guidelines and policies. The committee included five Preschool Promise employees: the Executive Director, Senior Director of Finance, Senior Director of Operations, Senior Project Manager and Data Manager. Experts from outside of the organization included the Director of the Business Research Group at the University of Dayton, a national Early Childhood Consulting Director and a communications consultant. Monthly meetings were held to confirm adherence to the pilot's requirements, review program activity and approve proposed payments to participants.

Data collection and analysis

Control group

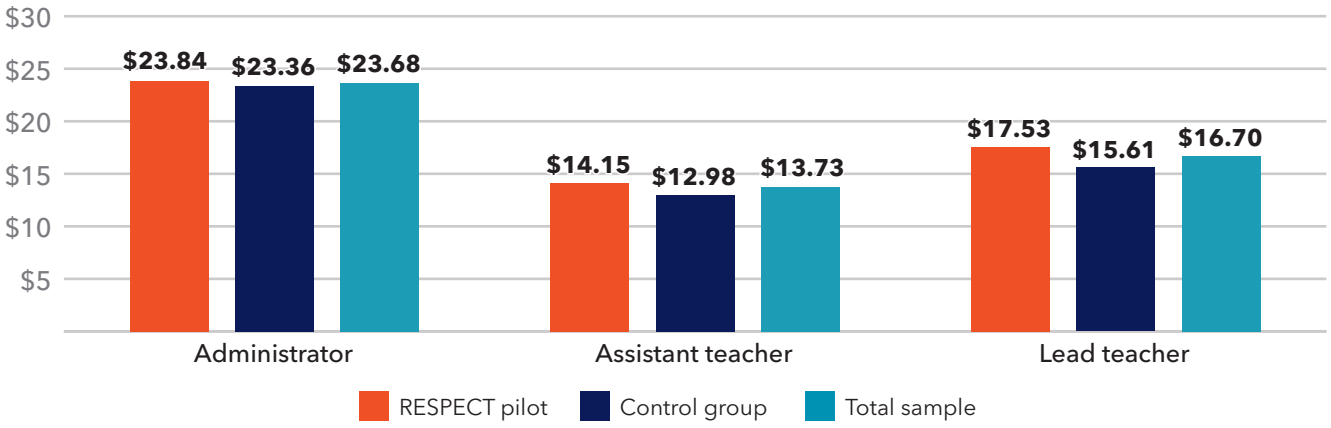
Ten child care centers were selected as a control group that, as closely as possible, matched the socioeconomic and demographic composition of those in the RESPECT pilot. All were located within seven miles of the target area and, as with the RESPECT sites, were a Preschool Promise partner program and eligible for all Preschool Promise benefits. Employees at the control sites were not offered an increase in wages. Instead they were invited to complete the same survey questions as RESPECT participants in exchange for a modest stipend, but only at the beginning and end of the year rather than monthly. Administrators of the control sites completed the same spreadsheet information as administrators at the RESPECT sites.

Data from 250 RESPECT pilot participants and 117 (of 150) control group participants were available to compare survey results. Demographic results are shown for both the initial 150 control group participants who completed the pre-survey and the subset of 117 who also filled out the post-survey. In addition, the administrative data obtained from each site provided position, wage, employee benefits, date of employment and exit date (if applicable) for each participant.

Mean wages

Mean wages for Lead and Assistant Teachers averaged higher for RESPECT sites than for control sites. This is due largely to the fact that salaries at Miami Child Development Center sites (Head Start) are higher than for community-based programs. For Lead Teachers, the mean hourly wage was $17.53 vs. $15.61 for the control group. For Assistant Teachers, it was $14.15 vs. $12.98. By contrast, the administrators' mean wage was roughly comparable ($23.84 vs. $23.36).

CHART 3: **Mean wages by position**



Financial well-being

RESPECT pilot and control group participants were asked about their financial well-being using a short 4 question version of the Consumer Financial Protection Bureau Financial Well-being Scale. Not surprisingly, at the baseline, the mean scores of both RESPECT and control participants are well below the national norm sample mean (47.2 and 47.9 vs. 54.7) given that the Financial Well-being score is closely tied to household income. Of more importance, when the mean national norm is recalculated based on the household income distribution of either the RESPECT or control group, the mean Financial Well-being Scale score for both groups is still below the comparable mean national norm, (47.2 vs. 50. 0 and 47.9 vs. 49.9, respectively). **This suggests that other factors besides household income are driving down early childhood workers financial well-being.**

CHART 4: **Mean financial well-being scale scores, RESPECT & control samples compared to national norms by household income**

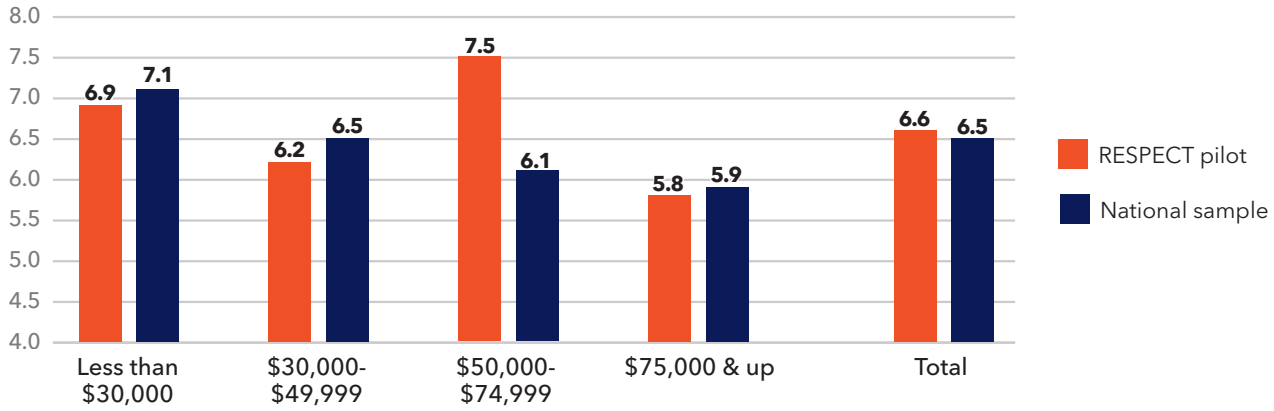
Household income	RESPECT		Control		National norms		Absolute difference, RESPECT pilot - Natl norms	Absolute difference, control - Natl norms
	Mean	#	Mean	#	Mean	#		
Less than $20,000	47.2	45	44.8	73	46	853	1.3	-1.2
$20,000-$29,999	45.6	37	48.4	46	48.7	563	-3.0	-0.2
$30,000-39,999	42.7	26	46.8	58	50	638	-7.3	-3.1
$40,000-$49,999	48	12	45.9	31	52.5	430	-4.5	-6.5
$50,000-$74,999	54.1	20	43.9	20	54.7	1075	-0.6	-10.8
$75,000 & up	60.5	10	58.5	21	58.8	2834	1.7	-0.3
Total sample	47.9	150	47.2	249	54.2	6394	-6.3	-7.0
Natl norms weighted by RESPECT Income Distribution					49.9		-2.0	
Natl norms weighted by control Income Distribution					50.0			-2.8

Perceived stress

Perceived Stress was measured with the short form Perceived Stress Scale, (PSS-4), (Cohen, S., Kamarck, T., & Mermelstein, R. 1983) on the pre and post survey for RESPECT and control participants as well as the monthly surveys during the year for RESPECT participants.[1] The scale is composed of 4 questions, each scored on a 5-point scale from 0 "Never" to 4 "Very Often." Two of the questions are reverse coded and the overall scale runs from 0 to 16.

For RESPECT participants, the overall average perceived stress scale score was almost identical to that for women in the national sample (6.6 vs. 6.5).[2] In addition, RESPECT participants' average perceived stress by household income group at baseline matched closely with the national sample, declining with household income except at the $50,000 to $74,99 range.

CHART 5: **Mean perceived stress scale score, (PSS-4 for RESPECT pilot participants at baseline compared to national sample by household income, (on a scale from 0 to 16)**



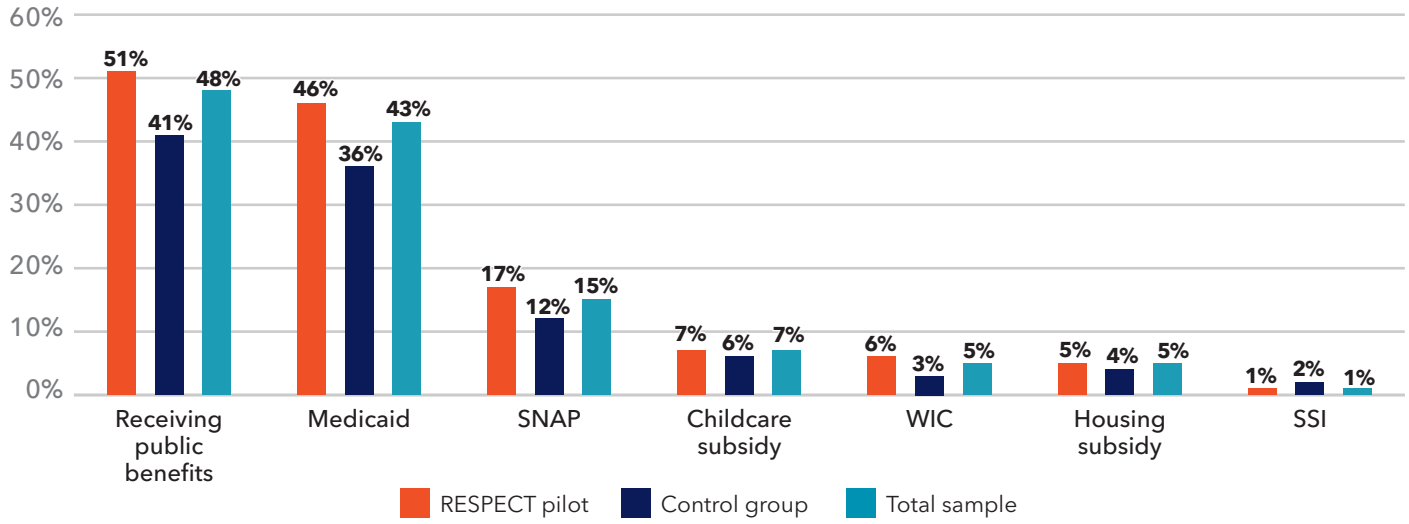
[1] While recent national samples are available for the PSS-4 for England, (Warttig et al 2013) Spain, (Vallejo et al 2018) and France, (LeSage et al 2012), there are no recent national samples for the PSS-4 for the United States. The most comparable is national sample data for the PSS-10 from 2009, (Cohen, S & Janicki-Diverets, D.2012). A rough conversion of PSS-10 scores to PSS-4 are used from this study as the "national sample" in the text.

[2] Since the great majority of RESPECT participants were women, the national sample average for women is used for comparison.

Participants receiving public benefits

Given that more than half of the total sample (53%) lived in households earning below 150% of the Federal Poverty Level, it is not surprising that almost half (48%) were receiving some type of public benefit. Just over half of the RESPECT pilot participants (51%) and 41% of the control group received a public benefit.

CHART 6: **Percent receiving public benefits**



The most common public benefit received was Medicaid (43% of the total sample, 46% of RESPECT participants, 36% of control participants). Just 15% were using SNAP, with smaller percentages receiving child care subsidies, WIC, a housing subsidy or SSI.

For the entire sample, Assistant Teachers (59%), Teacher Aides/ Non-Professional Staff (52%) and Lead Teachers (44%) were more likely than Administrators/Other Professional Staff (31%) to be receiving public benefits. This was true as well for RESPECT pilot participants: Assistant Teachers (68%), Teacher Aides/ Non-Professional Staff (56%) and Lead Teachers, (42%) vs. Administrators/ Other Professional Staff (35%).

Within the RESPECT pilot, 62% of Assistant Teachers, 46% of Teacher Aides/ Non-Professional Staff and 41% of Lead Teachers were receiving Medicaid in contrast to a still substantial 31% of Administrators/Other Professional Staff. Regarding SNAP, 24% of Assistant Teachers and Teacher Aides/Non-Professional Staff and 13% of Lead Teachers were recipients, while just 6% of Administrators/Other Professionals were enrolled for this benefit.

Avoiding the "benefit cliff"

Over half of RESPECT pilot participants were accessing public benefits. To avoid a potential loss in benefits because of receiving RESPECT support (which would negate the purpose of increasing incomes), the RESPECT pilot provided non-taxable grants to at-risk applicants. While this strategy allowed the RESPECT pilot to increase incomes for the participants, it's worth noting what the potential loss in benefits would have been if the supplemental income were not a grant.

To answer the question, relevant information on household income and family size data along with the increase in income tied to the monthly grants was entered into the Federal Reserve Bank of Atlanta CLIFF calculator.[3] It should be noted that the numbers reported below are estimates because household income

[3] https://emar-data-tools.shinyapps.io/cliff_snapshot/

The calculator is an invaluable tool because it provides up-to date information down to the state and county level that permits the calculation of the impact of income increases on a wide variety of benefits.

was only reported in $5,000-ranges and household size may be interpreted differently by participants. Additionally, no information was sought on household assets; for some benefits, an asset test is required. The results do represent the potential benefit cliff effects on early childhood education workers as policy initiatives are undertaken to increase wages in the industry.

Thirty-nine percent of RESPECT participants were accessing Medicaid. The income increases would have caused benefit cliff impacts for 15% of those participants. The potential decline in monthly household resources would have been significant, averaging $373.

CHART 7: **Net potential monthly impact on household Income for those accessing public benefits**

	Accessing benefit	Percent at cliff among those with the benefit	Loss of monthly household resources at cliff
Medicaid	39%	15%	$ (373)
SNAP	16%	51%	$ (248)
PFCC subsidy	6%	81%	$ (96)
WIC	4%	10%	$ (35)
Housing subsidy	4%	100%	$ (70)

While only 16% of participants reported accessing SNAP, the abruptness of the SNAP benefit cliff meant that 51% of those receiving SNAP hit the benefit cliff and the average monthly loss in household resources for them would have been $248 – a loss of $62 per week in food purchasing power.

Substantially fewer RESPECT participants were accessing Publicly Funded Child Care subsidies (6%), WIC (4%) or housing subsidies (4%). However, for those accessing Publicly Funded Child Care subsidies or housing subsidies, most, if not all, would have hit the benefit cliff (81% and 100%, respectively). In those cases, the net decline in monthly household resources averaged $96 and $70, respectively.

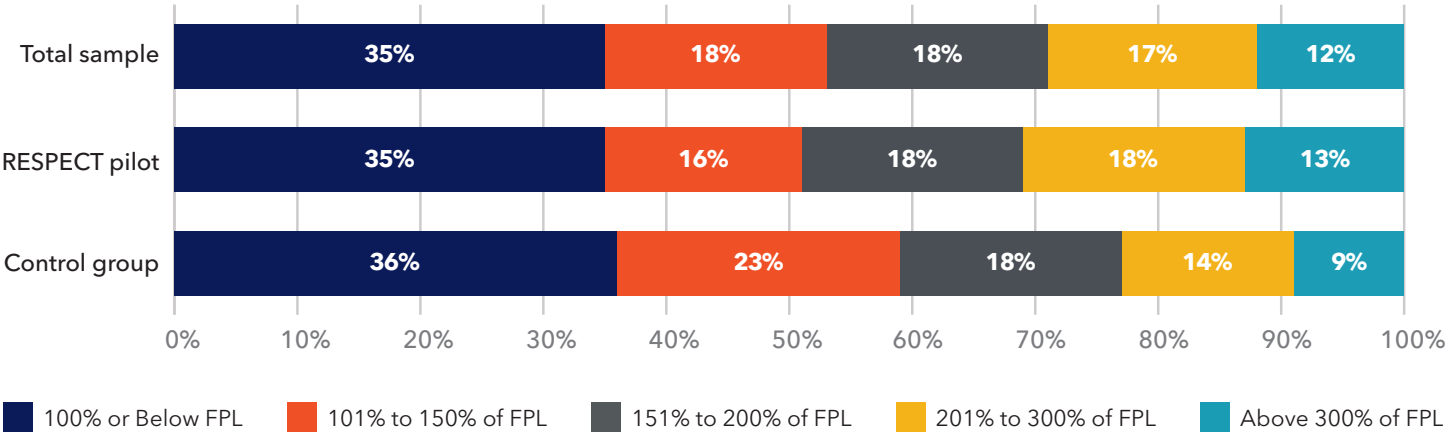
In considering the broader implications of these results, it should be noted that a substantial minority of RESPECT pilot participants were at sites operated by the local Head Start agency. Their wage rates are higher than for those employed at community child care providers (operating primarily from Title 20 subsidies) and a smaller percent are accessing public benefits. Because of this reality, the percent of early childhood education workers accessing public benefits in the RESPECT pilot is likely lower than for the field more generally.

In conclusion, public benefit cliff issues are important in considering the need to increase wages for early childhood educators. Wage increases need to be sufficient to mitigate the negative impact on net household resources of the loss of public benefits.

State of the child care workforce

Child care workers participate in a service sector that typically requires a high school degree or the equivalent. According to the Bureau of Labor Statistics, median pay in the child care workforce is $13.71 per hour, approximately $2 per hour less than the median wage for other personal service jobs. [4] Median annual earnings are $28,520, close to the Federal Poverty Level for a family of three.[5] Consistent with the low wages among child care workers nationally, approximately half of our sample reported earnings below 150% of the Federal Poverty Level (51% at RESPECT sites and 58% at control sites).

CHART 8: **Ratio of income to federal poverty level for RESPECT and control groups**



Similar to other low-wage service sector jobs, worker turnover is high. Researchers at the Federal Reserve Bank of Minneapolis document an average turnover rate of 18.6% across child care centers, with higher turnover at lower paying centers.[6] We found similar rates of worker turnover, with 17% of workers leaving during the pilot year. Worker turnover is slightly higher at RESPECT sites (18%) compared to control sites (15%).

The accompanying chart shows that 32% of the first-year child care workers in our sample left their current position within the year, but the likelihood of leaving decreases with worker tenure. We also found that turnover rates are higher among the lowest paid workers. Across our sample, 9% of child care workers with income above 150% of the FPL left their job, compared to an exit rate of 23% among those earning less than 150% of the FPL .[7]

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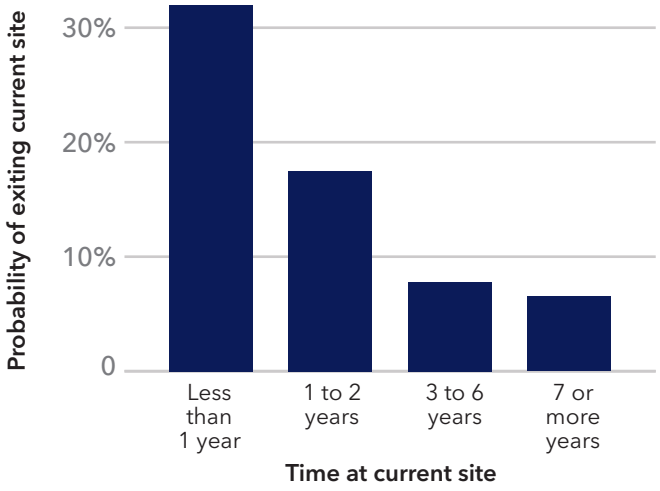
[4] Bureau of Labor Statistics, U.S. Department of Labor. Occupational Outlook Handbook, Childcare Workers, at https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm (visited November 29, 2023)

[5] U.S. Department of Health and Human Services, Poverty Guidelines for 2023, at FPL: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines (visited Nov 29, 2023)

[6] Grunewald, Rob, Ryan Nunn, and Vanessa Palmer. 2022. "Examining teacher turnover in early care and education." Minneapolis Fed: https://www.minneapolisfed.org/article/2022/examining-teacher-turnover-in-early-care-and-education (visited November 29, 2023)

[7] This difference in average exit rate for workers above and below 150% of the FPL is statistically significant at the 5%-level based on a simple t-test of means.

CHART 9: **Rate of leaving current site by time with employer**



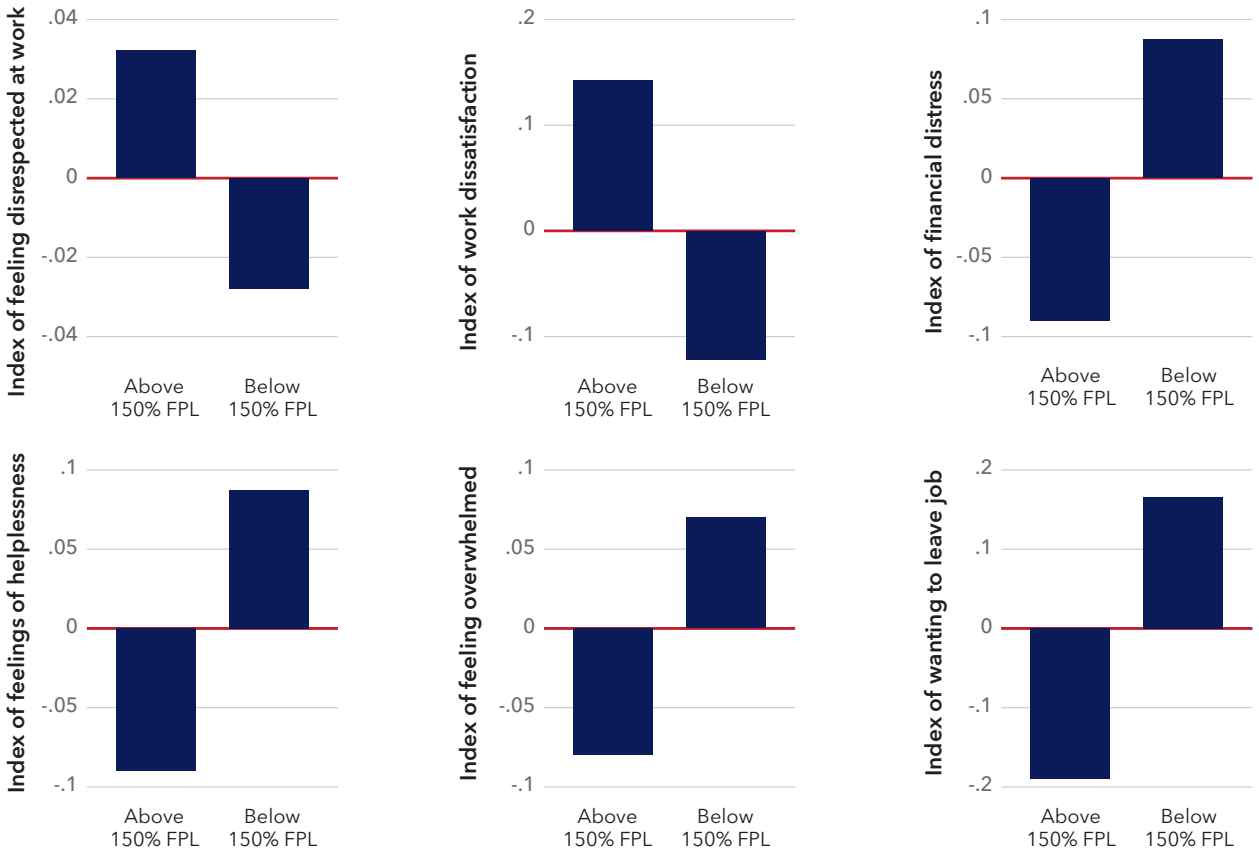
Notes: The bar graph shows the percentage of child care workers across all sites in our sample who left their child care site during the pilot year, grouped by their years of tenure at the site.

Child care workers have a relatively high stress occupation with higher levels of depression than the general population, even before the added stress created by the COVID-19 pandemic.[8] Child care workers, particularly those with low income, at our RESPECT and control sites, also exhibit emotional and financial distress. We also combined responses to 27 survey questions into a series of data-driven indexes of underlying factors that represent the feelings of the child care workers in our sample using principal component analysis.[9] We illustrate the six underlying factors in Chart 8, which shows that workers with incomes below 150% of the FPL are less likely to report feeling disrespected or dissatisfied at work, but more likely to report financial distress, feelings of helplessness, being overwhelmed and being ready to leave the job than those with incomes above 150% of the FPL, across all sites.

[8] Faulkner, Monica, Paula Gerstenblatt, Ahyoung Lee, Vianna Vallejo,and Dnika Travis. 2016. "Childcare providers: worker stress and personal wellbeing." Journal of Early Childhood Research, 14(3): 280-293.

[9] See the technical appendix for a more complete discussion of principal component analysis.

CHART 10: **Index average by income level for underlying factors of emotional and financial well-being**



Notes: The chart represents the average index for the six underlying feelings determined by principal component analysis of responses to 27 pre-pilot survey questions designed to elicit the emotional and financial well-being of child care workers at RESPECT and control sites. The indexes are constructed to be mean zero with a standard deviation of one across the entire sample. The difference in averages by income level are statistically significant at the 5% level for work dissatisfaction, feelings of helplessness and being ready to leave, as well as at the 10% level for financial distress, based on a simple t-test of means. The difference between income groups is not statistically significant for feeling disrespected at work or overwhelmed.

Analysis of the RESPECT pilot's impact

To understand the impact of RESPECT compensation, we compared outcomes of RESPECT pilot recipients to those at control sites, while accounting for differences in worker characteristics across the sites. We focused on worker turnover as well as measures of emotional and financial well-being. Given that the RESPECT pilot compensation has a larger influence on the financial well-being of the lowest earners, we also considered whether the impact of the program is more salient for child care workers with incomes below 150% of the FPL.[10]

We estimate logistic regressions in the likelihood of a worker leaving their current site, conditional on position, years of tenure, race and income level.[11] **We find that participating in the RESPECT pilot reduced worker turnover relative to comparable workers at control sites, but only among those reporting income below 150% of the FPL.** We illustrate these results in Chart 9, which shows the predicted likelihood of leaving the job site during each month of the study for teachers in the RESPECT pilot compared to those at control sites based on income level.

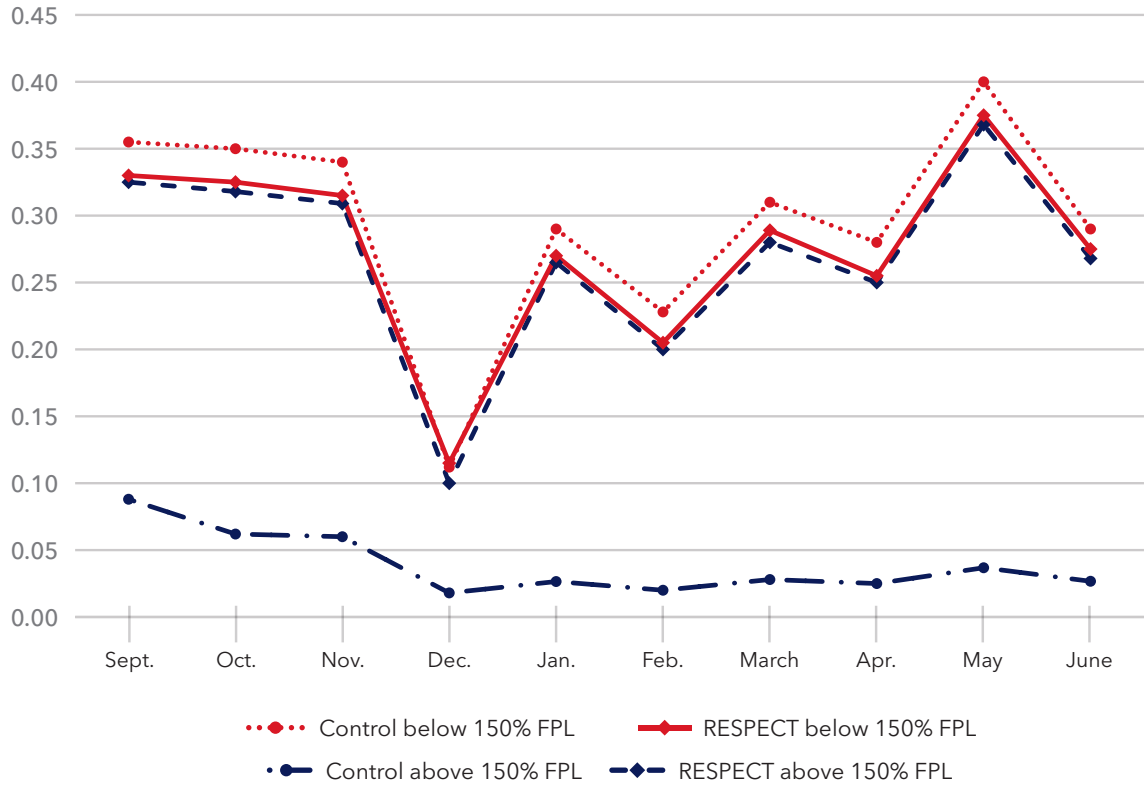
[10] It is important to note that our study was carefully designed to ensure that RESPECT pilot compensation was a net increase in purchasing power and did not reduce their eligibility for public benefits.

[11] See the technical appendix for a description of the logit model and full set of regression results.

Chart 11 illustrates that among teachers with incomes above 150% of the FPL, exit rates are higher at RESPECT (navy dashed) than control sites (navy dash-doted). In contrast, among teachers with incomes below 150% of the FPL, exit rates are lower at RESPECT (red solid) than control sites (red dotted). **This reversal in the relative exit rates at RESPECT and control sites for workers with incomes below 150% of the FPL indicates that the RESPECT compensation reduced voluntary quits among the lowest income child care workers.**

CHART 11: **Monthly exit probability by income and RESPECT compensation**

Exit probability for an African-American Lead Teacher with 1-2 years at company, average levels of education and average levels of underlying feelings



Notes: The figure plots the predicted likelihood of exit from a logistic regression of exit on position, years of tenure, race, income, education and indexes of emotional and financial well-being. We plot results for an African-American, Lead Teacher, with 1-2 years of tenure, and average levels of educational attainment, as well as average levels of emotional and financial well-being. We select these characteristics because the median Lead Teacher in our sample is African-American with 1-2 years of tenure at the current site. The pattern holds for other child care workers and characteristics. Among workers with incomes above 150% of the FPL, exit rates are higher for RESPECT participants compared to the control group (the navy dashed line is above the navy dash-dotted line). In contrast, for workers with income below 150% of the FPL, the exit rates are lower for RESPECT participants compared to the control group (the red solid line is below the red dotted line).

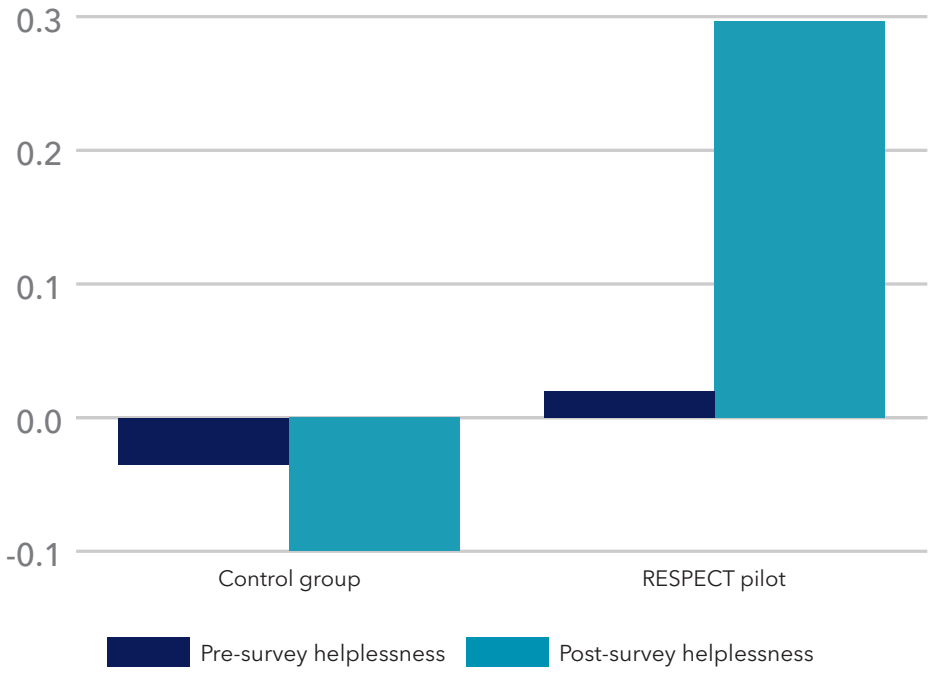
These results are consistent with Faber (2011) showing that exogenous pay increases reduce voluntary quits among teachers in Norway.[12] Overall, the logistic regression results indicate that being in the RESPECT pilot reduces the likelihood of exit by 1.4 percentage points relative to the control group, on average, all else being equal, among child care workers with incomes below 150% of the FPL.

We used ordinary least squares regression analysis to compare emotional and financial distress indices among child care workers receiving RESPECT compensation relative to those at control sites. **We found no significant improvement in emotional and financial well-being among RESPECT recipients relative to the control group. Contrary to expectations, we find that feelings of helplessness increased among child care workers in the RESPECT pilot relative to the control group.**

[12] Falch, Torberg. 2011. "Teacher mobility responses to wage changes: evidence from a quasi-natural experiment." The American Economic Review, Papers and Proceedings, 101(3): 460-465.

Chart 12 illustrates an increase in feelings of helplessness at RESPECT sites from the pre-pilot survey to the post-pilot survey, while control sites experience a decrease in helplessness. The regression results indicate that feelings of helplessness are one-third of a standard deviation higher at RESPECT than control sites after the pilot program than they were beforehand, conditional on position, tenure at the site and worker characteristics. **We hypothesize that these effects are a function of the recipients knowing that the additional RESPECT compensation will end.**[13]

CHART 12: **Comparison of control and RESPECT groups feelings of helplessness index**



Notes: The figure reports simple means for the feelings of helplessness index calculated using pre-pilot and post-pilot survey responses for child care workers in the control group and those in the RESPECT pilot. While helplessness improves for the control group over the pilot period, it worsens for the RESPECT recipients, indicating a significant decrease in emotional well-being along this metric. The difference in means plotted here is consistent with the statistically significant increase in feelings of helplessness among the RESPECT group relative to the control group that we find in regression analysis, controlling for worker characteristics.

It is also worth noting that Chart 12 illustrates lower levels of helplessness at control sites relative to RESPECT sites in pre-pilot survey responses. Overall, we find that child care workers at control sites report better emotional and financial well-being than RESPECT site workers in both pre-pilot and post-pilot surveys.[14] The pre-survey differences suggest the potential presence of underlying structural differences in organization and leadership between RESPECT and control sites despite our best efforts to select control sites that matched the socioeconomic and demographic composition of those in the RESPECT pilot.

We found no significant change in the other five factors underlying emotional and financial well-being for the RESPECT participants relative to the control group over the course of the pilot.[15]

[13] We also consider responses in March, further from the program end date and find similar results.

[14] See the technical appendix for a detailed set of summary statistics by control and RESPECT site.

[15] See the technical appendix for details on the regression models and results for all six factors underlying emotional and financial well-being.

We attribute the lack of improvement in emotional and financial well-being among RESPECT recipients relative to the control group to three possible causes:

1. An imperfect control group with underlying, unobserved differences in organization and leadership relative to RESPECT sites;
2. A relatively small sample size and short time period that is too limited to identify meaningful impacts on these outcomes;
3. The RESPECT compensation truly does not improve emotional and financial well-being.

Interestingly, the null effect of RESPECT compensation on emotional well-being in our study is consistent with prior literature indicating that salary is typically not a significant factor in determining emotional exhaustion among early childhood educators.[16]

[16] Falch, Torberg. 2011. "Teacher mobility responses to wage changes: evidence from a quasi-natural experiment." The American Economic Review, Papers and Proceedings, 101(3): 460-465.

Feedback from the participants

RESPECT pilot participants were asked a set of questions on the monthly survey at particular points during the year, asking them to assess the impact of the program. From November to March, participants were asked: *Please tell us how the RESPECT pilot has made a difference to you?* Coding verbatim from the five months of responses suggest that the primary impact on participants was to help them pay bills and alleviate some of their financial stress (60%). There were also general positive comments (15%) and those that indicated the program made them feel valued (8%). Participants also mentioned specific ways in which the RESPECT compensation helped them. These included helping them provide for their children (7%), reducing their stress (7%), allowing them to save (5%) and put food on the table (4%).

A sample of the responses in each category is provided below to capture specific information about the way participants articulated the benefits of the pilot. Other verbatims are included on Page 29 of the Appendix.

As previously stated, more than a third (35%) of the RESPECT participants were estimated to be living in households earning below the Federal Poverty Level and another 16% had resources estimated to be 100% to 150% of the Federal Poverty Level. So it is not surprising that when asked what difference the RESPECT pilot had made, many responded by simply saying they used the funds to pay bills.

Chart 13: **Coded verbatim for *Please tell us how the RESPECT pilot has made a difference to you?***

Code	Percent
Bills/financial stress	60%
Positive	15%
Valued	8%
Help to children at home	7%
Stress reduced	7%
Saving	5%
Food	4%
Emergency	4%
Help to students at work	2%
Inflation	2%
Home repair	1%
Total	117%
Sample size (responses over 5 months)	1008

"The RESPECT pilot has helped me catch up on some of my bills that were about to be disconnected."

"I am now able to afford my rent every month."

"It is helping me keep my car payment current, which helps me get to work daily. It's been a stress relief knowing my car payment will be on time because of this blessing."

"It is helping me keep my head above water. It's amazing! This month, I was able to put food on the table and not feel like it was a struggle. I still had money for gas and didn't have to worry!"

"It has helped me pay bills early and still a little left over to get my kids what they need – like clothes."

"I use my RESPECT pilot money to help pay my bills, and I get to do activities with my children that I normally can't afford."

"I'm able to save up money and will hopefully find a better place to live."

"It's helping me save money for maternity leave, which is helpful because my work doesn't have paid maternity leave."

"It has taken some stress away from my life because I have saved for an emergency."

"It has made me feel appreciated for the work that I do. Teachers wear many hats and that's a skill that gets overlooked. The RESPECT pilot makes me feel seen and appreciated."

"It's helped tremendously; it gives me a sense of being a true ECE professional and not have to seek work outside of the field in order to meet the needs of my home/family."

Participants said RESPECT helped them stay on the job

Participants were asked each month from November to June to indicate on a 1-to-5 scale *"How important are the funds that you receive from the RESPECT pilot in helping you to stay in the child care field?"* There was little variation across the months in participants' assessment with between 75% and 86% of participants indicating that the funds were "very" or "extremely important" in helping them stay in the field.

Chart 14: **How important are the funds that you receive from the RESPECT pilot in helping you to stay in the child care field?**

	November	December	January	February	March	April	May	June
Not at all important	3%	1%	3%	4%	3%	1%	3%	3%
Not so important	3%	3%	1%	1%	1%	5%	3%	4%
Somewhat important	19%	16%	13%	10%	11%	12%	10%	9%
Very important	31%	31%	35%	32%	32%	30%	29%	30%
Extremely important	45%	50%	47%	54%	53%	52%	55%	54%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Sample size	223	211	215	208	209	208	203	190
Very + extremely important	75%	81%	83%	86%	85%	82%	84%	84%

The assessed importance of the funds increased with education level. Only 39% of participants with a high school diploma indicated the funds were "extremely important." This increased to about half for those with a CDA (51%) or an Associate's degree (49%). For those with a Bachelor's degree or higher, two-thirds (65%) indicated the funds were extremely important in helping them stay in the field.

Chart 15: **"How important are the funds that you receive from the RESPECT pilot in helping you to stay in the child care field" by education level**

	Education level				
	High School graduate or less	CDA	Associate's	Some collage	Bachelor's or higher
Not at all important	7%	3%	0%	4%	0%
Not so important	0%	0%	6%	0%	2%
Somewhat important	11%	14%	9%	21%	5%
Very important	43%	31%	37%	14%	27%
Extremely important	39%	51%	49%	61%	65%
Total	100%	100%	100%	100%	100%
Sample Size	56	35	35	28	55

What we learned

From Robyn Lightcap, Executive Director of Preschool Promise

The child care field is in crisis. While that fact was well-documented prior to this small, one-year study, the challenges were affirmed when we consulted with early educators about our design of the RESPECT pilot. Their stories about their overwhelming struggles and the opportunities they want to give the children they serve were humbling and heart-wrenching. Then when we read participants' verbatims every month about how important their grants and stipends were to them, we were further reminded of the difficulties of staying in this field.

The fact that almost half (48%) of the RESPECT participants were receiving public benefits is irrefutable evidence that the system is horribly broken.

While our pilot was limited in scope, the findings do suggest higher compensation can help reduce worker turnover – a critical need to ensure quality and stability in the early education field.

We found the RESPECT pilot was associated with a statistically significant 1.4 percentage point reduction in the average likelihood of a child care worker with an income below 150% of the Federal Poverty Level leaving their job. The RESPECT compensation had the most impact on these low-income individuals, which is also typically the group with the highest exit rate.

Reducing turnover is beneficial because young children need consistency and familiar faces in their classrooms, and, as important, recruiting and training new workers costs early education programs money they don't have.

The impact of the RESPECT pilot on child care workers with incomes below 150% of the Federal Poverty Level also calls to mind the critical importance of the RESPECT compensation structure. Participants had a net increase in earnings without losing their eligibility for public benefits.

Any effort to increase pay for early education workers must carefully study the impact on their net income and the possibility of losing public assistance because of the so-called benefit cliff. Marginally increasing wages and at the same time denying early educators Medicaid or cutting their SNAP benefits is not a financial gain and will not encourage them to stay in the profession.

Interestingly, researchers found some evidence that emotional well-being was better at our control sites relative to RESPECT sites before the program began, suggesting underlying differences in leadership or organizational quality across the child care centers. Further research is needed about workplace climate for early educators and its impact on job satisfaction and retention. We will not keep dedicated, high-quality professionals in the field unless they feel appreciated, supported and respected.

We can speculate about why the RESPECT compensation did not alleviate participants' feelings of emotional and financial distress relative to comparable child care workers at control sites. This phenomenon, too, requires additional research. But a common-sense theory is that these employees were receiving something significant (on average $400/month) but for just a short time. Every month when they received their RESPECT payment, they were reminded they still needed a permanent solution to their financial insecurity.

We remain grateful to **Blue Meridian Partners** for funding this work and to **Learn to Earn Dayton** for supporting us. We take heart in knowing that more than 250 dedicated early learning employees received a much-deserved financial infusion over the course of this study. Our findings and these employees' awe-inspiring dedication are why we commit ourselves to the hard work of finding a permanent way to pay a livable wage to the amazing people who care for our youngest children.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Technical appendix

Principal component analysis

We consolidate an extensive set of responses to 27 survey questions about emotional and financial well-being into six underlying factors using a principal components analysis. Rather than making assumptions about the appropriate set of questions and weights with which to combine survey responses into a smaller set of indexes, principal components analysis is a statistical technique that identifies underlying commonality among the items and combines them into these underlying "factors" or indexes based on statistically-driven weights (a.k.a. factor loadings). This method is commonly used in social science research to reduce dimensionality of data, while minimizing the loss of information.

Table A1 reports the rotated factor loadings from principal component analysis of the pre-pilot responses. Items marked with an R were reverse coded, such that all questions and responses are oriented in the same manner, with higher values representing worse outcomes (e.g., greater stress). We then named the factors based on the feelings and questions they most strongly represent (i.e., the highest factor loadings).

We use the rotated factor loadings and individual pre-pilot responses to calculate the pre-pilot factors for each individual. Each of these factors represents an index of feelings with mean zero and unit standard deviation. We then use these same rotated factor loadings with the post-pilot responses to calculate post-pilot factor values. The approach allows us to the compare changes between pre-pilot and post-pilot feelings for RESPECT participants relative to the control group.

Table A1: **Rotated factor loadings on pre-Pilot survey responses**

Question	Reverse coded	Disrespected	Work dissatisfaction	Financial distress	Helplessness	Overwhelmed	Ready to leave	Uniqueness
I do not have much stress at work.	R	0.1746	0.5198	0.1313	0.1371	-0.0494	-0.0718	0.6557
I am happy working for my current child care center.	R	0.5109	0.4724	0.1321	0.1878	-0.2236	0.1229	0.398
I feel like I am making a positive impact on the children in my classroom.	R	0.3216	0.4833	0.0531	0.2895	-0.3229	-0.0308	0.4711
My work environment has a pleasant atmosphere that makes me want to do outstanding work.	R	0.6081	0.4057	0.1428	0.1687	-0.1316	-0.0044	0.3995
I have a strong relationship with my child care center's administrator/staff.	R	0.5591	0.2396	0.1212	0.1028	-0.1858	-0.1367	0.5516
I am adequately compensated for my work.	R	0.3498	0.6176	0.2288	-0.0412	0.0195	0.0828	0.4349
I feel satisfied with my position as an early childhood professional.	R	0.445	0.5771	0.177	0.0252	-0.1285	0.1754	0.3897
My workload is manageable/appropriate.	R	0.4891	0.6102	0.1881	-0.1551	0.0556	0.083	0.3191
The number of children in my classroom / site is easily manageable.	R	0.3445	0.6287	-0.0276	0.03	0.2215	0.0034	0.4353
The children in my classroom / site are well behaved.	R	0.203	0.6526	-0.1723	0.1534	0.2027	-0.1018	0.4282
I think about moving to another position in the early childhood profession.		0.0571	-0.1065	0.0571	0.033	0.0324	0.8036	0.3342
I think about seeking a position in another profession outside of early childhood.		0.1538	0.2509	0.1865	0.009	-0.0219	0.6895	0.4027
People at work communicate with me respectfully.	R	0.834	0.101	-0.0281	0.1303	-0.058	0.0221	0.2726
I feel respected when I interact with people at work.	R	0.8954	0.1194	0.0131	0.1585	-0.0364	0.029	0.1566
I am treated with respect at work.	R	0.893	0.1164	0.0174	0.0701	0.0593	0.0464	0.1781
At work, I am valued as a human being.	R	0.8328	0.1833	0.114	-0.0346	0.0046	0.0625	0.2547
People at work treat me like I matter as a person, not just as a worker.	R	0.8878	0.1565	0.1135	-0.0746	0.0591	0.0459	0.1632
People at work genuinely value me as a person.	R	0.8828	0.1442	0.0493	-0.0129	0.0997	0.0139	0.1871
Because of my money situation, I feel like I will never have the things I want in life.		0.1207	0.0146	0.7938	0.116	0.1463	0.1124	0.3076
I am just getting by financially.		0.0638	-0.0511	0.7783	-0.0545	-0.0575	-0.0471	0.3791
I am concerned that the money I have or will save won't last.	R	0.1015	0.1702	0.7856	0.0829	0.1511	0.0844	0.3067
I have money left over at the end of the month.	R	-0.0782	0.2275	0.3918	0.2092	0.3923	0.2629	0.5218
My finances control my life.		0.0558	0.0991	0.7184	0.1938	0.1807	0.0991	0.391
How often do you feel that you were unable to control the important things in your life?		0.0312	0.0324	0.4069	0.0965	0.6141	0.0635	0.442
How often do you feel confident about your ability to handle your personal problems?	R	0.0626	0.0504	0.1505	0.7359	0.0475	-0.0041	0.427
How often do you feel that things were going your way?	R	0.147	0.0476	0.1438	0.7403	0.1274	0.0597	0.3877
How often do you feel that difficulties were piling up so high that you could not overcome them?		0.082	0.0482	0.2597	0.1127	0.7093	-0.039	0.4061

Summary statistics

Table B1 provides summary statistics for all child care worker characteristics and outcomes that we used to analyze the impact of the RESPECT pilot. We report the summary statistics for the entire sample, as well as separately for the control and RESPECT groups. While the control sites were selected to match RESPECT sites in demographic characteristics of the population served, we find some notable differences in pre-pilot outcomes at each site. Specifically, the control group is less financially distressed and reports lower feelings of helplessness and being overwhelmed, while they are more likely to feel disrespected and dissatisfied at work, with a higher likelihood of wanting to leave, although a lower actual rate of exit. These differences exist despite very similar demographic characteristics, although RESPECT sites have slightly higher shares of African-American employees and noticeably fewer Lead Teachers and more non-professional staff. The differences in pre-survey feelings suggest there might be other unobserved differences across control and RESPECT sites that can interfere with our ability to isolate the effect of the RESPECT pilot in our statistical analysis.

Table B1:
Summary statistics

	Full sample		RESPECT pilot		Control group	
	Mean	(Standard deviation)	Mean	(Standard deviation)	Mean	(Standard deviation)
Pre-Pilot outcomes						
Disrespected (pre)	0.00	(1.00)	-0.04	(0.98)	0.07	(1.04)
Work dissatisfaction (pre)	0.00	(1.00)	-0.03	(0.97)	0.04	(1.06)
Financial distress (pre)	0.00	(1.00)	0.04	(0.93)	-0.06	(1.11)
Helplessness (pre)	0.00	(1.00)	0.02	(0.96)	-0.03	(1.07)
Overwhelmed (pre)	0.00	(1.00)	0.08	(0.98)	-0.13	(1.03)
Ready to leave (pre)	0.00	(1.00)	-0.06	(1.01)	0.11	(0.97)
Post-Pilot outcomes						
Disrespected (post)	0.48	(1.18)	0.45	(1.11)	0.57	(1.33)
Work dissatisfaction (post)	0.05	(1.04)	0.06	(1.03)	0.03	(1.06)
Financial distress (post)	-0.15	(0.90)	-0.12	(0.86)	-0.21	(0.99)
Helplessness (post)	0.19	(0.95)	0.32	(0.88)	-0.10	(1.04)
Overwhelmed (post)	-0.12	(0.92)	-0.13	(0.93)	-0.11	(0.88)
Ready to leave (post)	0.28	(0.97)	0.29	(0.96)	0.26	(1.01)
Exit rate	0.17	(0.38)	0.18	(0.38)	0.15	(0.36)
Characteristics						
African-American	0.71	(0.46)	0.71	(0.45)	0.69	(0.46)
Assistant teacher	0.29	(0.46)	0.29	(0.46)	0.29	(0.45)
Lead teacher	0.34	(0.48)	0.31	(0.46)	0.40	(0.49)
Professional staff	0.07	(0.25)	0.07	(0.25)	0.07	(0.25)
Non-Professional staff	0.14	(0.35)	0.15	(0.36)	0.12	(0.33)
Teacher aide	0.04	(0.19)	0.05	(0.21)	0.02	(0.14)
Some college	0.17	(0.38)	0.15	(0.36)	0.22	(0.42)
CDA	0.16	(0.37)	0.16	(0.36)	0.17	(0.38)
Associate's degree	0.15	(0.36)	0.16	(0.37)	0.14	(0.35)
Bachelor's degree or higher	0.24	(0.43)	0.24	(0.42)	0.24	(0.43)
Below 150% FPL	0.54	(0.50)	0.51	(0.50)	0.59	(0.49)
RESPECT pilot participant	0.63	(0.48)				

Note: The sample includes 401 child care workers across both sites, 251 RESPECT participants who had enrolled in the program by October and 150 in the control group. We conducted our primary analysis using only participants who enrolled in the RESPECT program by October in order to capture the effects of experiencing the stipend treatment for a sufficient period of time.

Results, however, are similar when conducting the analysis for all 447 participants (150 in the control group and 297 in the RESPECT pilot). From this baseline of 401 child care workers across both sites who had enrolled by October, the pre-pilot survey responses are missing 5 observations to some questions, and the post-survey responses lose another 29 observations due to incomplete information.

Logistic regressions on exit

We estimate a logistic regression on the likelihood of exit in each month throughout the pilot for workers at all sites as a function on the worker characteristics and participation in the RESPECT pilot. We find that tenure at the job reduces the likelihood of leaving in any given month throughout the study year. We also find that having income less than 150% of the FPL and participating in the RESPECT pilot reduces the likelihood of exiting in any given month by 1.4 percentage points, on average, all else being equal. Table C1 reports marginal effects, with standard errors in parentheses.

Note: The dependent variable is equal to 1 if a worker leaves their current job site in a given month. The model also controls for month-specific dummy variables. We report marginal effects with standard errors in parentheses. One, two and three asterisks denote statistical significance at the 10-, 5- and 1-percent level, respectively.

Table C1: **Marginal effect from logit model of probability of exit**

	Marginal effect	(Standard error)
1-2 years tenure	-0.016**	(0.007)
3-6 years tenure	-0.023***	(0.006)
7+ years tenure	-0.024***	(0.006)
Below 150% FPL	0.014**	(0.006)
RESPECT participant	0.013**	(0.006)
(RESPECT)*(Below 150% FPL)	-0.014**	(0.007)
African-American	-0.006**	(0.002)
Disrespected (pre)	0.000	(0.001)
Work dissatisfaction (pre)	0.001	(0.001)
Financial distress (pre)	-0.001	(0.001)
Helplessness (pre)	-0.001	(0.001)
Overwhelmed (pre)	0.000	(0.001)
Ready to leave (pre)	0.005***	(0.001)
Assistant teacher	-0.003	(0.005)
Lead teacher	-0.005	(0.004)
Professional staff	-0.019**	(0.009)
Non-Professional staff	-0.002	(0.005)
Teacher aide	-0.012	(0.008)
Some college	-0.001	(0.003)
CDA	0.001	(0.004)
Associate's degree	-0.001	(0.004)
Bachelor's degree or higher	-0.002	(0.004)

Analysis of emotional and financial well-being

We estimate ordinary least squares regressions with lagged dependent variables to isolate the effect of the RESPECT compensation on emotional and financial well-being.[17] Specifically, the regression model takes the form:

$$y_i^{post} = \beta_0 + \beta_1 y_i^{pre} + \beta_2 RESPECT_i + \beta_3 (RESPECT * 150\%FPL)_i + \beta_4 Below150\%FPL + X_i\gamma + \upsilon_i$$

where y_i^{post} represents one of the six underlying factors that describe emotional and financial well-being based on post-pilot survey responses for a given child care worker, i, while controlling for the pre-survey feelings (y_i^{pre}). We control for binary variables representing participation in the RESPECT pilot relative to the control group, income below ***150%*** of the Federal Poverty Level and the interaction of these terms.[18] We also control for a vector, X, of characteristics, including race, education, position and years of tenure.

Table D1 reports coefficient estimates with standard errors in parentheses. In particular, we find no statistically significant effects of the RESPECT pilot for most of the indexes of emotional and financial well-being. The one exception being that we find feelings of helplessness increase by about one-third of a standard deviation, on average, for RESPECT pilot participants relative to the control group, all else being equal. While this result contradicts our expectations, we hypothesize that the temporary nature of the RESPECT compensation and knowledge of its ending resulted in participants feeling more helpless.[19]

[17] The results are similar if we employ a differences-in-differences estimation strategy for treatment in the RESPECT pilot instead of controlling for the lagged dependent variable in the model.

[18] Results are robust to removing the interaction term, which is not statistically significant in any of these models, contrary to its relevance in the logit models on the probability of exit.

[19] Results are similar if we use survey responses for RESPECT participants from March, further from the end of the pilot compensation.

Table D1: **Effects of RESPECT pilot on emotional and financial well-being**

Post-Pilot feelings index:	Disrespected	Work dissatisfaction	Financial distress	Helplessness	Overwhelmed	Ready to leave
Pre-Pilot feelings index	0.459***	0.498***	0.493***	0.252***	0.356***	0.296***
	[0.080]	[0.065]	[0.046]	[0.062]	[0.054]	[0.0570]
RESPECT participant	-0.149	0.185	0.111	0.455***	0.125	0.093
	[0.220]	[0.173]	[0.152]	[0.162]	[0.150]	[0.172]
(RESPECT)* (Below 150% FPL)	0.242	-0.208	-0.169	-0.170	-0.150	0.024
	[0.280]	[0.243]	[0.199]	[0.236]	[0.200]	[0.234]
Below 150% FPL	-0.199	0.217	-0.012	0.309	0.267	0.202
	[0.264]	[0.222]	[0.178]	[0.210]	[0.169]	[0.212]
1-2 years tenure	-0.241	-0.214	-0.022	-0.016	0.154	0.002
	[0.171]	[0.154]	[0.131]	[0.154]	[0.162]	[0.158]
3-6 years tenure	-0.188	0.032	-0.108	0.068	-0.073	-0.033
	[0.168]	[0.156]	[0.120]	[0.145]	[0.132]	[0.145]
7+ years tenure	-0.357**	0.068	-0.206	-0.057	-0.025	0.041
	[0.170]	[0.148]	[0.130]	[0.127]	[0.143]	[0.150]
African-American	-0.414***	-0.146	-0.278***	-0.070	-0.012	0.126
	[0.128]	[0.124]	[0.095]	[0.103]	[0.111]	[0.108]
Assistant teacher	0.398**	0.065	0.016	0.320	-0.138	0.124
	[0.187]	[0.176]	[0.160]	[0.196]	[0.182]	[0.200]
Lead teacher	0.366**	-0.162	0.148	0.240	-0.096	0.284
	[0.157]	[0.148]	[0.142]	[0.174]	[0.176]	[0.190]
Professional staff	0.337	-0.031	-0.028	-0.071	-0.230	-0.181
	[0.259]	[0.194]	[0.172]	[0.211]	[0.228]	[0.221]
Non-professional staff	0.096	-0.001	-0.169	0.176	-0.154	0.019
	[0.201]	[0.207]	[0.172]	[0.215]	[0.223]	[0.233]
Teacher aide	0.431	0.128	0.002	0.032	0.173	0.308
	[0.344]	[0.349]	[0.227]	[0.335]	[0.344]	[0.351]
Some college	0.196	0.376**	-0.074	-0.129	0.096	-0.104
	[0.208]	[0.172]	[0.133]	[0.160]	[0.155]	[0.154]
CDA	0.348*	0.303	0.027	-0.040	0.074	-0.005
	[0.210]	[0.186]	[0.169]	[0.164]	[0.169]	[0.165]
Associate's degree	0.401**	0.263	-0.199	0.161	0.063	0.081
	[0.203]	[0.194]	[0.143]	[0.173]	[0.167]	[0.171]
Bachelor's degree or higher	0.313	0.218	-0.351**	-0.056	0.133	0.219
	[0.217]	[0.186]	[0.148]	[0.183]	[0.172]	[0.172]
Constant	0.554	-0.194	0.226	-0.326	-0.280	-0.184
	[0.353]	[0.300]	[0.242]	[0.293]	[0.252]	[0.288]
Observations	338	338	338	338	338	338
R-squared	0.276	0.276	0.354	0.156	0.187	0.154

Note: The dependent variable is listed in column heading is measured from post-pilot responses, while controlling for the same index measured from pre-pilot survey responses and the other independent variables listed. Ordinary least squares coefficient estimates are reported with heteroskedasticity-robust standard errors in brackets below. One, two and three asterisks denote statistical significance at the 10, 5-, and 1-percent level, respectively.

Child assessments

METHOD

Project design

We used a quasi-experimental longitudinal design to test for differences in children's school readiness skills between children who attended RESPECT pilot sites vs. children who attended non-RESPECT pilot sites. Control sites were chosen to most closely match the demographics of the RESPECT sites, but note that several baseline differences were noted between the groups (see below). Children were assessed in the Fall and Spring of their Preschool year.

Sample

There were 64 classrooms where at least one child had complete assessments (RESPECT n = 33 classrooms, Control n = 31 classrooms). The average number of children assessed per classroom was 4 (range 1 - 20). Because of the small sample size of classrooms, we could not conduct multi-level models to account for the nesting of children within classrooms. Instead, we conducted a classroom-level regression analysis, where each variable is reported on and analyzed at the classroom level instead of the individual child level.

Classroom demographics

	N classrooms	Min	Max	M	SD
Gender (% of males in classrooms)	64	0	1	0.43	0.32
African-American (% of African-American children within classrooms)	64	0	1	0.82	0.28
Multi-racial (% of multi-racial children within classrooms)	64	0	0.5	0.06	0.12
Neighborhood poverty (% of families < 100% of FPL in census tract)	64	0.1	0.85	0.34	0.15

Measures

Executive Functioning Skills – The Minnesota Executive Function Scale (MEFS) (Carlson & Zelazo, 2014) is a standardized, norm-referenced assessment of executive functioning skills. It is administered via an iPad app and is designed as a card game in which children must sort cards based on changing rules (e.g., sort cards first based on color, then based on shape). The assessment is adaptive based on children's performance and is currently used in many Preschools across the country, including locally. Standardized scores have a mean of 100 and a standard deviation of 15.

School Readiness Skills – Three subtests from the Woodcock Johnson Tests of Early Cognitive and Academic Development (Schrank et al., 2014) were administered in the Fall and Spring of children's Preschool year (average of 5.5 months between assessments). Each assessment is administered using a picture flipbook. The Picture Vocabulary subtest assesses children's expressive vocabulary skills. The Letter-Word Identification subtest assesses children's letter identification, naming and pre-reading skills. The Number Sense subtest assesses children's early math skills, including counting and quantitative vocabulary knowledge. Standardized scores have a mean of 100 and a standard deviation of 15.

RESULTS

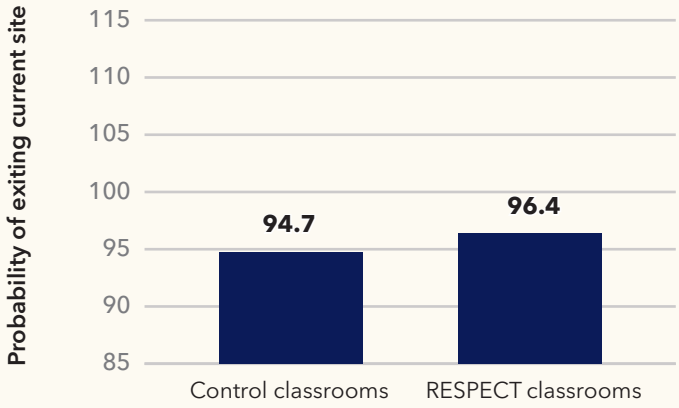
Baseline comparisons

Compared to control classrooms, children in RESPECT classrooms were significantly more likely to:

1. Be African-American
2. Live in higher-income neighborhoods, but still overall below the Federal Poverty Level
3. Have higher school readiness skills (WJ scores, not MEFS) at baseline
4. Have lower attendance rates overall

	Control classrooms					RESPECT classrooms				
Variable	*N*	*Min*	*Max*	*M*	*SD*	*N*	*Min*	*Max*	*M*	*SD*
Gender	31	0	1	0.42	0.29	33	0	1	0.45	0.35
African-American	31	0	1	0.76	0.29	33	0	1	0.88	0.26
Multi-racial	31	0	0	0.06	0.12	33	0	1	0.05	0.12
Neighborhood % < 100 FPL	31	0	1	0.37	0.17	33	0	1	0.31	0.12
MEFS SS T1	31	83	101	94.73	4.20	33	61	103	94.23	7.85
Age in months T1	31	39	60	50.43	4.30	33	33	58	46.76	6.69
WJ picture vocab T1	31	52	121	95.31	11.85	33	70	117	99.76	10.46
WJ letter-word T1	31	74	101	88.63	6.90	33	67	111	92.19	9.37
WJ number sense T1	31	71	109	87.87	7.65	33	70	106	88.91	9.33

Primary results



Controlling for baseline demographics and T1 school readiness skills, children in RESPECT classrooms had significantly higher T2 school readiness skills in the area of executive function compared to the control groups. This finding held when controlling for teachers' feelings of helplessness and overwhelm.

Discussion

Teachers who started out the school year feeling more overwhelmed had children in their classrooms who made fewer gains in executive function skills. Controlling for these and other baseline differences, teachers in RESPECT classrooms had children who made more gains in executive function skills compared to control classrooms. There were not significant differences across the RESPECT and control groups with teacher participation in professional development offered by Preschool Promise, suggesting that these differences were likely not due to differential participation in training affecting executive function skills. However, we interpret these results with caution given the small sample size as well as the contradicting findings from the broader sample indicating that teachers who were in the RESPECT pilot actually had greater feelings of being overwhelmed and helplessness at the end of the Preschool year compared to control classrooms.

Additional verbatims from participants

Bills/financial stress

"It has made paying bills each month more manageable, so I do not have to live paycheck to paycheck."

"This month I was able to catch up on my utilities."

"It helped me make my car payment last month. That was a big help and relieved some stress for me."

"It has helped me try to get out of a financial hole I've been in."

"It helps with my monthly medical insurance."

"Without the RESPECT pilot, I would be struggling to pay my bills and get groceries and gas."

"This has truly been a blessing not only for me, but for all the participants of the RESPECT pilot."

"It has changed my life completely. Preschool Promise is such a blessing."

"The money helps me pay my bills. Without it, I would probably be seeking a position outside of child care."

Help to children at home

"It helps a lot with bills, and I can do extra activities with my kids."

"The extra money allows me to help my son who is in college."

"It has made a huge impact to have lunch money."

"I am able to send my children to extracurricular activities."

"It has helped me pay bills and for us to go out as a family."

"It has put gas in my car and food on the table for my daughter and me."

"I am a single mother, and the extra I get from the RESPECT pilot allows me to do a little extra for my two girls."

"It has been a big help because now I am able to save so we can have a better lifestyle."

Help to children at home

"It has helped me build my savings and maintain my budget."

"It has helped me save and pay off the last of my debt. I am now debt-free, and the RESPECT pilot money will now be put in my savings.

"I'm not having to worry about my bills being paid on time. I'm able to save up money for any situation that may arise."

"It has allowed me to move out of an abusive environment. I was able to get my own place."

"I am helping pay my mother's bills while she is in a rehab center for an amputation."

"It's helping me keep money in my account to have for an emergency."

Saving/Emergency

"It has helped me build my savings and maintain my budget."

"It has helped me save and pay off the last of my debt. I am now debt-free, and the RESPECT pilot money will now be put in my savings.

"I'm not having to worry about my bills being paid on time. I'm able to save up money for any situation that may arise."

"It has allowed me to move out of an abusive environment. I was able to get my own place."

"I am helping pay my mother's bills while she is in a rehab center for an amputation."

"It's helping me keep money in my account to have for an emergency."

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