



Pay Equity Fund

Key facts

The Early Childhood Educator Pay Equity Fund increases compensation (pay and benefits) for educators in Washington, DC to be on par with DC public school teachers - relative to their role and education level.

The Pay Equity Fund works to right centuries of systemic racism and sexism leading to underpayments and undervaluing of the work of early childhood educators, the majority of whom are Black and brown women.¹

4,000+

As of December 2023, over 4,000 early educators have participated in and benefited from the Pay Equity Fund.²

How it works

Office of the State Superintendent of Education (OSSE) licensed child development facilities are eligible to opt in to the Pay Equity Fund. Quarterly, OSSE sends child development facilities funding awards to ensure that early educators can be compensated with at least the minimum required salary (as determined by OSSE) based on their role and credentials. These funding awards must be incorporated into early educators' paychecks.

The amount of funding that each child development facility receives quarterly from OSSE is determined based on the number of educators and their role and credentials, facility participation in the child care subsidy program, and funding for administrative purposes.

As part of the Pay Equity Fund, early educators and other early learning staff (and family members of staff who are DC residents) are able to access free or low-cost, quality health insurance coverage through the HealthCare4ChildCare program.

Why it matters

DC's early educators, the majority of whom are Black and brown women, have long been underpaid and undervalued due to pervasive racism and sexism, even though they do the essential and critical work of caring for and educating the District's infants and toddlers. Before the Pay Equity Fund, DC early educators with a bachelor's degree were paid 33 percent less than their peers teaching grades K-8³. The Pay Equity Fund is an opportunity to right historical wrongs and establish early childhood education as a field where educator compensation is fair and livable.

As the District strives to increase the quality of early education and care, much of this work is focused on the quality of teacher-child interactions. That is why the District requires all assistant teachers to earn at minimum a child development associate credential and lead teachers to earn at minimum an associate's degree in early childhood education. Compensating early educators with a fair wage is an important incentive to earn further credentials.

Who it helps

The Pay Equity Fund has provided meaningful compensation increases for over 4,000 early educators in the District. For full-time early educators earning the median wage, initial Pay Equity Fund payments increased their compensation by 40 percent.⁴

The Pay Equity Fund also financially rewards educators for meeting credentialing requirements established by OSSE. Before the Pay Equity Fund, educators were not guaranteed any increase in pay for acquiring further credentials.

Children have better outcomes when they have quality, consistent, positive relationships with adults, including their early educators.⁵ Assuming that higher compensation from the Pay Equity Fund leads to less turnover and reduced educator stress, then the children in their care receive the benefits.



Pay Equity Fund

Learn more

Let's make the District of Columbia a city where equitable opportunities begin at birth. Find out how to take action for our youngest residents and their families. Under3DC.org

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With compensation increases poised to boost the supply of early educators in DC, child development facilities are more likely to be able to avoid the disruptions in care that follow from workforce shortages and educator turnover. Early data show that the Pay Equity Fund has already increased the size of the early educator workforce by three percent.⁶ For working parents, an increased supply of child care means fewer work disruptions due to unreliable child care.

What's Next

As OSSE addresses initial implementation issues with the Pay Equity Fund, there are multiple policy and funding considerations to take into account. The Under 3 DC Coalition recommends these policy improvements.

- **Strengthen the funding formula:** OSSE's Pay Equity Fund child development facility payroll funding formula requires improvements to ensure that all licensed early learning programs can participate in the program. As a permanent funding formula is established in

the next year, OSSE should work with the early learning community to develop a more precise formula that distributes funds more equitably and ensures that DC's lowest paid educators, and the children they work with, benefit fully from the Pay Equity Fund.

- **Pay educators for experience:** The Birth-to-Three for All DC law requires that early educators are paid according to their years of work experience in the field (in addition to their role and credential level), yet the Pay Equity Fund currently only requires that programs pay educators minimum, entry-level salaries. Future iterations of the Pay Equity Fund must compensate early educators according to their experience level.
- **Consider including other child development facility staff:** Child development facility directors and other early learning program staff are not currently eligible for the Pay Equity Fund. While increasing salaries for early educators is an essential first step, compensating all roles in an early learning program is necessary, as every individual is an important part of the quality and experience of families and young children, and not doing so may yield unintended consequences and pressures within a facility.

Initial Pay Equity Fund payments totaled over \$80 million.⁷ Increased funding for the Pay Equity Fund is necessary to accomplish the goals outlined above and to maintain pay parity, as required in the law, with local DC public school teachers (as their salaries increase due to union contract negotiations). Additionally, as early educators earn higher credentials, they are entitled to increased compensation, which will necessarily increase the costs of the Pay Equity Fund.

¹ DC Action. (2020). [The Status of DC Child Care During COVID19](#).

² District of Columbia, Office of the State Superintendent of Education (OSSE). (2023). Division of Early Learning December Newsletter.

³ Berkeley Center for the Study of Child Care Employment. (2020). [State Profiles: District of Columbia](#).

⁴ DC Fiscal Policy Institute (DCFPI). (2022). [DC Makes Bold Progress on Fair Pay for Early Educators](#).

⁵ Harvard Center on the Developing Child. (2021). [Three Principles to Improve Outcomes for Children and Families](#).

⁶ Mathematica. (2023). [Jobs in the Balance: The Early Employment Impacts of Washington, DC's Early Childhood Educator Pay Equity Fund](#).

⁷ District of Columbia, Office of the State Superintendent of Education (OSSE). (2023). Division of Early Learning December Newsletter.

About Under 3 DC

Under 3 DC, a broad based coalition in the District of Columbia, harnesses the voices and power of parents with young children, early educators, advocates, and health professionals to create transformative social change. The Coalition's efforts center on the people experiencing racial and economic injustice every day. It shines a spotlight on the need for more public investments to support families with infants and toddlers. Together, we can set the city on a path to creating and sustaining a high quality, equitable early childhood system.