# Pay Equity Fund

The Pay Equity Fund increases compensation (pay and benefits) for DC's early educators, helping to grow and stabilize the workforce and increase the quality of care and education for young children.

## Why it Matters

The chronic underpayment of early educators is rooted in a long history of racism and sexism that has defined caring for young children as women's work, often performed by Black women, enslaved women, and domestic workers. Because this labor has historically been expected rather than compensated - and because it serves infants and toddlers - it has been persistently undervalued and excluded from the professional recognition afforded to K-12 teaching.

Early educators are trained professionals who lay the foundation for children's lifelong learning. The first three years of life are a period of rapid brain development, and high-quality early education experiences require strong, consistent teacher-child interactions. This is why DC requires specialized training for early educators; assistant teachers must earn at least a Child Development Associate (CDA) credential, and lead teachers must hold an associate's degree in early childhood education. Before the Pay Equity Fund, DC early educators with bachelors degrees were paid 33 percent less than their peers teaching grades K-8. The Pay Equity Fund recognizes early education as the critical, high-skilled work that it is, and ensures that compensation is fair and competitive enough to attract and retain a high-quality workforce.

## How it Works

The Pay Equity Fund provides funding to licensed child development facilities to increase compensation for early educators. Facilities must opt-in to participate (though as of April 2025, there is a waiting list to join) and agree to pay their educators, by position and degree, salaries that meet the required minimums. The Office of the State Superintendent of Education (OSSE) sends funding awards to facilities quarterly. The amount each child development facility receives is determined by the number of educators and their role and credentials, participation in the Child Care Subsidy Program, and funding for administrative purposes. As part of the Pay Equity Fund, staff of child development facilities - and family members of staff who are DC residents - are also able to access free or low-cost, quality health insurance coverage through HealthCare4ChildCare.

## Who it Helps

### *Children and Families*

A stable, fairly compensated workforce directly benefits young children. When educators stay in their positions, children experience stronger, more consistent relationships - a critical foundation for healthy early development. Workforce stability also reduces classroom disruptions and program closures that can destabilize families' child care arrangements. By strengthening the workforce, the Pay Equity Fund supports parents' ability to work and contribute to the economy.

## Key Facts

- The Pay Equity Fund is the nation's first program designed to align early educator pay with K-12 teachers, relative to their role and education level.
- It works to address centuries of systemic racism and sexism that have led to chronic underpayment and undervaluing of early childhood educators - the majority of whom are Black and brown women.
- More than 4,000 early educators across 300 child development facilities have participated in and benefited from the Pay Equity Fund.
- Every dollar invested in the Pay Equity Fund generates a 23% return on investment to educators, child care providers, children, families, and the District's economy.

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### 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

*Early Educators*

The Pay Equity Fund delivers meaningful compensation to thousands of early educators across the District. Since implementation, early educator wages have increased by $13,000 on average and over 3,300 early education staff and their family members[1] have gained access to affordable health insurance through HealthCare4ChildCare - all without creating additional cost burdens on parents. By linking compensation to credential levels for the first time, the Fund establishes clear, equitable salary standards and helps make early childhood education a sustainable career.

*Child Care Providers*

The Pay Equity Fund strengthens child development facilities by helping them attract and retain qualified educators. In a sector that operates on thin margins, the Fund helps stabilize staffing, and compete with higher-paying positions elsewhere.

## Challenges & Barriers

Despite its demonstrated impact, funding for the Pay Equity Fund does not meet current needs. Early educators are facing pay cuts and there is a waitlist for new programs that want to participate. Beginning in Fiscal Year 2027, the program risks permanent elimination.

When the Pay Equity Fund works as intended, costs grow for the right reasons: more educators enter and remain in the workforce, and more educators earn higher credentials to improve the quality of instructional care they provide.Without adequate and sustained funding, the program cannot continue to meet its goals.

## What's Next

To sustain progress in workforce stability, child care supply, and program quality, the Pay Equity Fund requires full and reliable funding. Adequate investment will allow the program to continue supporting early educators, maintaining a stable child care workforce, and delivering the economic benefits the District seeks.

[1]Source: unpublished data from Health Benefits Exchange leadership

**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.