



Examining Compensation Data of Alaska's Child Care Workforce

Child care plays an important role in supporting children's growth, development, and educational advancement, while also supporting families in their ability to work, train, or pursue an education. Investing in high-quality child care is good for children and their families, as well as our communities, businesses and economy. Annually, [Alaska](#) serves more than 10,000 families, or 11,500 children, in licensed child care programs and around 15 percent of those children are in its child care subsidy program.

CHILD CARE WORKFORCE CHALLENGES IN ALASKA

Despite these many benefits, the supply of child care remains at a standstill, while the cost to families continues to increase. In Alaska, the number of child care programs decreased [by 20% \(150 programs\)](#) since 2019. This loss in program availability can be tied, in part, to workforce shortages in the child care sector. [Research](#) shows that child care workers are among the lowest paid workers in the United States, which results in high turnover as child care workers leave the field for other occupations where they can access benefits and higher wages.

An analysis of child care compensation data in Alaska shows gaps and challenges that need to be addressed.

POLICY CONSIDERATIONS

Insufficient child care costs Alaska [\\$165 million](#) in lost earnings, productivity, and revenue each year. Without policy intervention to help resolve the issue of under-compensation of the child care workforce, the market is unable to meet the urgent child care supply, affordability and accessibility needs of Alaska's families and employers. This hinders our children's healthy development and ability for our communities to thrive.

Solving our child care crisis requires a combination of policy levers and public investment that leads to the viability of the system long-term. Alaska's lawmakers have the power to support its child care workforce by expanding state funding to improve compensation and access to benefits. Increased state funding can be used to [implement strategies](#) that support its early childhood workforce, like setting reimbursement rates that reflect the true cost of care, issuing ongoing retainment grants for early educators, and continuing funding for the Child Care operating grants.

Learn more about child care compensation in Alaska: <https://data.childcareaware.org/alaska/>.

KEY FINDINGS

- Alaska child care providers make **\$17.92 per hour**, on average.
- Overall, **80% of Alaska providers** report wages that were less than the state's calculated living wage of \$23.26.
- Child care providers with a high school diploma or GED earned an **average hourly wage of \$20.89**, while those with a graduate degree only earned two dollars per hour more, at \$23.76.
- Child care providers reaching a higher level on the [Alaska SEED Career Ladder](#) for completing trainings or ongoing education typically earn a higher average hourly wage (i.e., **\$26.14 at step 10**) than those at the beginning of the career ladder (**\$16.93 for child care providers at step 1**).
- Alaska's child care workforce identifying as Asian, Alaska Native, and White had slightly **higher wages ranging between \$1 to \$2 more per hour** compared to other races and ethnicities.
- The most common benefit available to child care providers are paid holidays (**64% report receiving this benefit**) and paid time off (**63% report receiving this benefit**).
- **Only 43%** of child care providers report **receiving health insurance** and just **35%** contribute to a **retirement plan**.