

Research Notes

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Financial Aid Strategies – The Key to an Early Childhood Career Development System

While virtually all states provide opportunities for pre-service preparation and in-service continuing professional preparation, some states are beginning to recognize the need for a fully articulated career lattice as part of an early childhood career development system.¹ A career lattice provides a pathway for professional movement and advancement. Financial aid strategies in the form of scholarships, loans, and loan forgiveness programs provide the vehicle to move practitioners toward their professional development goals. Linking practitioners to professional development resources and financial assistance for education and training is essential to achieving a well-trained, stable early childhood workforce.

Early Childhood as a Career

A reoccurring theme in several recently released reports is that in order to ensure a skilled and stable workforce, early childhood must be perceived as a career choice, not just a job.^{2,3} A career offers the opportunity for advancement and increased compensation. An early childhood career lattice describes the roles, levels within the roles, core knowledge and skills, training requirements, and identified pathways for movement for all early childhood sectors, including child care, Head Start, state-funded prekindergarten and other school readiness programs, preprimary special education, and early intervention. Individuals should be able to enter the career lattice at any point in their growth as professionals and have multiple opportunities for their future professional development.

Financing an Early Childhood Career

Research has consistently found that the formal education of staff is one of the key indicators of high quality in early childhood programs.⁴ However, most practitioners are parents, under-educated and under-paid. The extremely low wages paid in the field of early childhood mean that the early childhood workforce is particularly challenged to pay the relatively high cost of formal education. Beyond a program's own budget allocations for professional development, there are a variety of external funding sources available to early childhood practitioners.

Federal Strategies

- Federal Pell Grant – a needs-based award to help first-time undergraduates pay for their education after high school. To determine eligibility, the U.S. Department of Education uses a standard formula to evaluate the information reported on the applicant's Free Application for Federal Student Aid (FAFSA). The maximum amount for the 2002-03 academic year is \$4,000.
- Federal Supplemental Education Opportunity Grant – an award for undergraduates with exceptional financial need. The amount ranges from \$100 to \$4,000 depending on need, amount of other aid received, and the availability of funds at the institution.
- Federal Perkins Loan – a low-interest loan for first-time undergraduates. The amount received depends on the student's financial need, the amount of other aid received, and the availability of funds at the student's institution of higher education.
- Federal Stafford Loan – a low-interest loan made to both undergraduate and graduate students enrolled at least half-time. Students ineligible for a Subsidized Federal Stafford Loan have the option to borrow an Unsubsidized Federal Stafford Loan. The Subsidized Federal Stafford Loan is based on financial need. The government pays the interest during in-school and deferment periods. The Unsubsidized Federal Stafford Loan is not based on financial need. The student is responsible for paying the interest from the date the funds are disbursed.
- Federal PLUS (Parent Loan for Undergraduate Students) – a loan for the parents of dependent undergraduate students. The loan is not based on need and can be awarded up to the cost of attendance.
- Federal Work-Study – a needs-based employment program that allows undergraduate students the opportunity to earn money to pay education-related expenses.

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- Hope Scholarship and Lifetime Learning Credits – an option available to some taxpayers to claim a credit against their federal income tax liability for tuition and related expenses paid. The maximum amount of the credit for a taxable year is \$2,000.
- Child Care Provider Loan Forgiveness Demonstration Program – a program funded for Fiscal Year 2001 and 2002 intended to bring more highly trained individuals into the early childhood profession and to retain providers. This federal loan forgiveness program requires that a borrower have received an associate or bachelor's degree in early childhood education and have worked full-time for two consecutive years as a provider in an eligible child care facility that serves a low-income community.

State Strategies

- T.E.A.C.H. Early Childhood (Teacher Education and Compensation Helps) – a program begun in North Carolina and currently implemented in 21 states that provides scholarships to practitioners to help pay for tuition, books, and transportation. When practitioners complete educational goals, they receive either a bonus or a salary increase. In return, they commit to stay at their programs for at least one additional year. In most states, eligibility is determined in part by a salary cap (an eligible practitioner must earn less than \$15.00 an hour). T.E.A.C.H. Early Childhood New York, however, has no income eligibility restrictions.
- Early Childhood Apprenticeship Program – a program funded by the Department of Labor and implemented in several states designed to allow an entry-level practitioner to attain college credit and an early childhood credential while working in a child care center. Each apprentice is also assigned a skilled and compensated mentor.
- The Maine Roads Scholarship Program – a financial incentive program to support practitioners employed in child care and early education in the state of Maine. Financial assistance is available to support practitioners pursuing a CDA, associate degree, bachelor's degree, master's degree, or doctorate. Applicants at all income levels are eligible for the scholarship.
- The Kentucky Early Childhood Development Scholarship – an initiative that provides professional development for child care staff and trainers in Kentucky. The scholarship provides financial assistance in the form of tuition scholarships for students pursuing a CDA, associate degree or a bachelor's degree in early childhood education, or an Early Childhood Development Trainer's or Director's Certificate. An applicant must agree to a service commitment based on the credential pursued.
- Montana Early Childhood Project – a scholarship intended to improve access to graduate-level course work and increase the number of early care and education practitioners with graduate degrees in Montana. Proof of student status or admission is required for the maximum award of \$5,000.
- Massachusetts Workforce Training Fund – a program to provide resources to Massachusetts businesses to train current and newly hired employees. The fund's major focus is on small to medium-sized businesses that would not be able to make this investment without the assistance of the fund. Training grants are awarded to employers, labor organizations, and training providers.
- Illinois DeBolt Teacher Shortage Scholarship – a scholarship program for academically talented undergraduate and graduate students, with priority given to minority students, to pursue careers in education in disciplines designated as having teacher shortages. Applicants must sign a teaching commitment and promissory note to fulfill the teaching commitment.

Investments in the professional development of the early childhood workforce are being made at both the federal and state levels. Unfortunately, most practitioners receive little guidance about how to access the financial resources to make early childhood a career. Practitioners need to be given information directly and regularly about how to access financial support for their professional development. There is a clear need to identify strategies and resources to strengthen the early childhood workforce through effective career advising.

1. Edwards, V. B. (Ed.). (2002). Quality Counts 2002: Building blocks for success. *Education Week*, 21(17).
2. Park-Jadotte, J., Golin, S.C., & Gault, B. (2002). *Building a stronger child care workforce: A review of studies of the effectiveness of public compensation initiatives*. Washington, DC: Institute for Women's Policy Research.
3. Kagan, S.L., & Cohen, N. (1997). *Not by chance: Creating an early care and education system for America's children*. New Haven, CT: The Bush Center for Child Development and Social Policy at Yale University.
4. Bowman, B., Donovan, M.S., & Burns, M.S. (Eds.). (2000). *Eager to learn: Educating our preschoolers*. Washington, DC: National Academy Press.

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