1. What makes retention so difficult for the childcare industry?
2. What generational differences make an impact on staff retention?
3. What are the milestone moments that cause staff to leave?
4. What are the foundations of successful retention?
5. How do I calculate my turnover rate?
6. What's the best way to manage employee turnover so it has minimal effect on company culture?

Unemployment is at 4%
This means staff aren't worried about finding another job.
WAGE CREEP
With minimum wage going up across the company, small businesses are finding it hard to keep up with payroll costs. Turnover in the childcare industry is 30-40% on average.

USA Federal Minimum Wage
$7.25

STATES WITH LOWEST MINIMUM WAGE
Alabama, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin, Wyoming

AND THE HIGHEST...
$11.00 Arizona $12.00 California $11.10 Colorado $14.00 Washington D.C. $11.00 Maine
$12.00 Massachusetts $11.10 New York $11.25 Oregon $12.00 Washington

THE APPROACHING TSUNAMI
Overspending on labor costs impacts profit and bottom line!

HINGE LABOR RECOMMENDATIONS
4% Staff Salaries at 70% Occupancy

Note:
- If you're considering buying, selling, or growing, labor costs must be managed.
- Raising rates or finding other sources of income are critical to avoiding the tsunami.
**Millenials**

Now accounting for one-in-three American workers, this generation is surpassing GenX in the workforce. They will comprise more than one-third of adult Americans by 2022 and 75 percent of the workforce by 2025. Their work ethic and long-term goals are different from other generations.

**Millenials vs. Managers**

Job Factors Valued as Important

- Meaningful Work (30% Millennials, 13% Managers)
- High Pay (29% Millennials, 23% Managers)
- Sense of Accomplishment (21% Millennials, 12% Managers)
- Responsibility (5% Millennials, 12% Managers)

Source: 2013 & 2015 L-Millennials

**Millennial Behavior**
- Active and Involved Leadership
- Collaborative Teamwork
- Unstructured Flow of Information
- Work for Income and Personal Enrichment
- Highly Value Flexibility
- Influence Through Network and Community
**Action Steps for Millennials**

1. Be Open to Flexible Schedules
2. Offer Great Break Snacks and Free Lunches
3. Offer Quality Promo Items
4. Train on Generational Weaknesses
5. Base Job Responsibilities and Engagement on Strengths
6. Challenge Ways to Combat Negative Reviews

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**Benefits of a Boomer**

- 20,000 are Retiring a Day
- Work Ethic
- Experienced and Educated
- May Want a Second Career but with Flexibility
- May Not Have Saved Enough for Retirement Especially Since Recessions
- Excellent at Working with Millennials (skip generations)
- Excellent at Serving Millennial Parents

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**Introducing Gen Z**

6.1 Million are About to Enter the US Workforce and Radically Change It Forever!

- Born between 1995 and 2015 (present ages 5-23)
- Gen Zers have seen their parents struggle financially (due to the recession and loan crisis), so parents are having conversations about finances, money and debt with kids earlier.
- They are less likely to go to college after watching Millennials struggle to pay loans.
- 75% of Gen Z say there are other ways of getting a good education than going to college.
13.

14.

15.
HOW TO CALCULATE YOUR TURNOVER RATE

The cost of losing a single staff member in early education is between $5,000-8,000 per person!

\[
\frac{\text{Number of W4s}}{\text{Number of Positions}} = \text{Turnover Rate}
\]

Proactive Tip: Consider budgeting $500 - $1,000 per person to RETAIN staff!

WHAT HAPPENS WHEN A STAFF MEMBER LEAVES?

- Upset Parents - Loss of Trust (Remember we're in the trust business!)
- Loss of company goodwill in community, especially if turnover persists.
- Turnover can lead to low morale, more turnover and gossip.
- You spend more time working IN the business rather than ON the business.
- Loss of institutional knowledge.
- Your team is disrupted and must start over - Stages of a Team.
- Interruption of Operations including systems and processes.

PAY ATTENTION AND MARK YOUR CALENDARS!

- Class Reunions: Job hunting increases by 16%
- Big Birthdays: Job hunting increases by 12%
- Work Anniversary: Job hunting increases by 9%
DID YOU KNOW?

44% of employees say they would consider taking a job with a different company for a raise of 20% or less.

ACTION STEP

Host career ladder meetings quarterly which include regular raises and clarity regarding worth of their entire package.

Know your market rate and stay competitive to reduce chances of employees jumping ship!

OH! DID YOU ALSO KNOW?

More than 50% of employees believe that if they lost their current job they would be able to replace it in the next 6 months.

ACTION STEP

Purpose and Core Values
Staff Training and Development
Rewards
Recognition
Opportunity for Advancement
Environment
Staff Training
CULTURE

LET’S DIVE DEEPER INTO STAFF ATTRITION

Career Advancement or Promotional Opportunities
Management or the General Work Environment
Flexibility/Scheduling
Pay/Benefits
Lack of Fit to Job
Job Security

16%
17%
8%
22%
20.2%
2%
PRE-HIRE & SETTING CLEAR EXPECTATIONS
Ensure candidates are clear on your core values.

**ASK...**
What are you willing and able to do? Are you open and willing to be trained our way?

**PROPOSE...**
A trial day or temp-to-hire for a few weeks.

**PROVIDE...**
A clear contract or agreement including pay rates, pay days and benefits.

**GIVE...**
A welcome to the team gift and handwritten note from entire team.

MINIMIZING STAFF CALL OUTS

- Clarity on “blackout weeks or months.” Example: August.
- Create an incentive program or use languages of appreciation for good attendance.
- Ask potential hires upfront for dates they will be unavailable.
  - Be as flexible as you can be.
- If Fridays and Mondays are chronic, over staff, plan for fun and buy lunches.
- Consider reaching out to staff with a fun post in your private Facebook group on Sundays (Facebook Live or a fun challenge with a prize).

BUT NOT SO FAST...

Remember, turnover is inevitable. Here are a few tips to help you when it does happen:

- Be transparent and set expectations with your parents from the start... “Ms. Ali is trying out in the Toddler room this week! Please introduce yourself to her!”

- And if it doesn’t work out... “Ms. Ali wasn’t the right fit, but we have Ms. Susie who has been with us for 10 years in the Toddler room until we do find the right person!”
QUESTIONS?

For more content like this, join us at the SHIFT Childcare Leaders Conference in Austin, TX from February 21-23, 2019.

Learn more at www.shiftchildcareleaders.com