

2026



**The Early Years
Workforce in England**
Annual Report 2026

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Introduction

The latest survey data suggests that early years staff numbers may have plateaued in 2025 after previous strong growth. This may indicate that workforce pressures are constraining the sector from making available the additional childcare places required to deliver the expanded entitlement. The relative attractiveness of the early years sector to higher qualified staff is also of particular concern, with low relative pay and limited opportunities for career progression being key factors that may mean the early years sector offers little long-term incentive for gaining higher qualifications.

The aim of the National Foundation for Educational Research's (NFER) annual series of reports on the education workforce, funded by the Nuffield Foundation, is to monitor progress towards meeting workforce supply challenges. This report summarises the latest research and key trends in early years staff numbers, recruitment, retention, pay and working conditions and points towards policy actions that are likely to have the greatest impact on addressing the challenges.

We use Department for Education (DfE) data from the Survey of Childcare and Early Years Providers (SCEYP) on national and regional staff numbers, recruitment, turnover and qualification levels. Note that we do not include Reception teachers within the definition of the early years workforce due to the clear divide with early years in terms of their employment context. Trends in recruitment and retention are driven by changes in the competitiveness of pay and working conditions, compared to other jobs. We therefore also analyse trends in pay and working conditions, primarily using findings from the Annual Survey of Hours and Earnings (ASHE), Labour Force Survey (LFS) and Annual Population Survey (APS).

Household surveys enable us to compare the pay and working conditions in early years to staff working in other occupations, so we use the LFS and APS to compare to staff with similar age, gender, qualification level and region profiles, as well as similar working patterns. Some of the most common occupations in this 'similar workers' group include care workers, retail assistants, administrators, cleaners and accounting clerks. Further details about the data sources used and variable definitions are in a separate methodology appendix.



Key findings and recommendations



Early years staff numbers may have plateaued after years of strong growth and appear to be considerably below the Government's estimated requirement for delivering the expanded childcare entitlement

The DfE has estimated that the early years workforce would have to increase by 35,000 staff between December 2023 and September 2025 to meet the needs of the expanded entitlement. However, despite growing by nearly 20,000 between 2023 and 2024 - and appearing to be on track for delivering the entitlement nationally - the latest SCEYP data estimates that the workforce increased by just 600 between 2024 and 2025. This means that the increase in staff up to 2025 appears to be far below the estimated requirement of 35,000. However, it is possible that further recruitment over the summer, a period not captured by the survey data, may have closed this gap. It is possible that some parents are unable to access all the free childcare they would like due to a lack of available places, but this is not definitive from the available data.

Regions such as the South West, West Midlands and North East may be worst affected by potential staffing shortfalls

The potential shortfall in staff numbers compared to the DfE's estimated requirements is not evenly distributed across the country. Comparisons of staff growth indicate substantially different circumstances in different regions. The South West, West Midlands and North East demonstrate the most significant gaps between expected and estimated growth in the workforce between 2023 and 2025. In contrast, Yorkshire and Humberside appears to have seen a higher growth in staff numbers, that may be more than the estimated staffing requirements. It is possible that differences between the required and actual staff numbers are also observed at a more local level, perhaps with even greater variation between the two.

A higher qualified workforce is likely to deliver better quality early years education and care, but qualification levels remain low

There is strong evidence linking higher qualification levels of early years staff with high-quality provision and children's outcomes. The Government's Best Start in Life strategy states that it wants 'there to be a clear pathway and training routes for early years educators to progress their careers and achieve higher level qualifications'. However, the proportion of early years staff with a level 4 or above (higher education) early years or teaching-related qualification remains relatively low, at a quarter of the overall workforce. Furthermore, a significant minority of staff are qualified to level 2 (GCSE equivalent) or below: 15 per cent in school-based settings, a fifth (20 per cent) of staff in group-based providers and a quarter (24 per cent) of childminders.

Early years pay is low compared to otherwise similar workers, especially for those early years staff who are more highly qualified

Pay for early years staff has consistently been identified as a key driver of staffing challenges. Among staff in group-based providers, the median of hourly earnings is at the 13th percentile of the earnings distribution, meaning that 87 per cent of employees in the wider workforce earn more than this. However, this represents a slight improvement since 2020/21, when the median for group-based provider staff was at the 9th percentile. Early years staff consistently earn around 30 per cent less than otherwise similar workers. The relative pay gap for higher qualified staff is larger than average and has grown in recent years, from 34 per cent in 2021/22 and 2023/24 to 39 per cent in 2024/25. Pay compression due to increases in the statutory National Living Wage (NLW) is likely to be reducing the pay premium associated with higher qualifications, which may in turn reduce the incentive for lower qualified staff to train and qualify to higher levels.

Early years workers with higher qualification levels report more limited opportunities for career progression

Overall, early years workers in 2024 were slightly less likely than similar workers to agree that there are opportunities for career progression at their work (53 per cent compared to 56 per cent), but the difference is not statistically significant. However, higher qualified early years staff are significantly less likely to report that they have career progression opportunities compared to similar workers (44 per cent compared to 58 per cent). This suggests that the early years sector may not be attractive in the long term for staff with higher qualifications. This may also blunt the long-term incentive for lower qualified staff to gain further qualifications, if it is unlikely to lead to progression.

Early years work offers higher levels of workplace representation and staff report higher levels of wellbeing

Early years workers are more likely than similar workers to agree that their managers are ‘good’ or ‘very good’ at involving employees in workplace decision-making (61 per cent compared to 53 per cent). The data also shows that early years workers have lower levels of anxiety, higher levels of life satisfaction, and a greater feeling that what they do in their life is worthwhile compared to similar workers, and these differences are increasing over time.

Recommendations

- The Government should ensure that funding rates support early years providers to offer competitive wages to recruit and retain staff, with a pay structure that rewards higher qualification levels.
- The Government should implement its policy proposals on the early years professional development offer and career pathway to upskill the current workforce.
- Alongside greater availability of professional development, the Government should carefully explore the role of regulation in providing clear opportunities for career progression and a pay structure that incentivises gaining further qualifications.
- The Government and providers should emphasise the high sense of worthwhileness, fulfilment and positive working environments that can be found in early years as part of recruitment.



Policy context

The availability and quality of early years provision is an area of key policy focus for the Government's Opportunity Mission, part of its Plan for Change (Prime Minister's Office, 2024). Central to this mission is the ambition that 75 per cent of 5-year-olds in England have a good level of development (as measured by the Early Years Foundation Stage Profile) by 2028 (HM Government, 2024).

The Government is also continuing with the previous Government's plan to expand the early years entitlement, enabling working parents to access up to 30 hours of free childcare per week (for 38 weeks per year) for children from 9 months of age (DfE, 2024c) from September 2025. This continues on from the first two stages of the expansion, with the 15-hour entitlement expanding to include 2-year-olds and children from 9 months from April and September 2025, respectively.

The quality and quantity of the early years workforce is central to delivering these policy objectives. The DfE has estimated that the early years workforce would have to increase by 35,000 staff between December 2023 and September 2025 to meet the needs of the expanded entitlement (DfE, 2024a).

In nearly two thirds of local areas, this means expanding local place capacity by more than 10 per cent, with nearly one in seven local areas requiring an increase in capacity of more than 20 per cent (DfE, 2024a). The extra staff estimated to be required also differs hugely by region as a result, from 11 per cent across the North East and nine per cent in the West Midlands and Yorkshire and Humberside, to only three per cent in London and five per cent in the South East.

To help meet the increased demand for places from the entitlement expansion, the Government has committed to opening 3,000 new and expanded school-based nurseries (Prime Minister's Office, 2024). Phase 1 of the programme has funded 300 schools in

2025/26 to open new nurseries and phase 2 is planned to deliver the same in 2026/27 (DfE, 2025b).

In addition to increased capacity, the Government has emphasised the importance of high-quality early education and care for all children as part of providing 'the best start in life' (Prime Minister's Office, 2024). There is strong evidence linking higher qualification levels of early years staff with high-quality provision and children's outcomes (Mathers and Smees, 2014; Melhuish and Gardner, 2021).

In July 2025, the Government published its strategy for improving child development and meeting the ambition that 75 per cent of 5-year-olds in England have a good level of development by 2028 (DfE and Phillipson, 2025a), building on the 2017 early years workforce strategy (DfE, 2017).

The strategy identifies key issues in the early years workforce, including a lack of proper recognition and access to high-quality training, lack of progression opportunities, challenges with attracting and keeping teachers in nurseries serving the most disadvantaged communities, and the feeling among early years staff that they are 'overworked, overlooked and undervalued'.

The strategy outlines policy measures that will be implemented to improve the recruitment, retention and quality of the early years workforce, including: increasing funded Early Years Initial Teacher Training (EYITT) places, rolling out a degree apprenticeship route to become early years teachers, creating a clear pathway and training routes for early years educators to progress their careers and achieve higher level qualifications, offering financial incentives to attract and keep early years educators and teachers in nurseries serving the most disadvantaged communities, introducing a professional register for early years educators co-designed with the sector, and launching a national recruitment campaign.

Early years staff numbers may have plateaued after years of strong growth

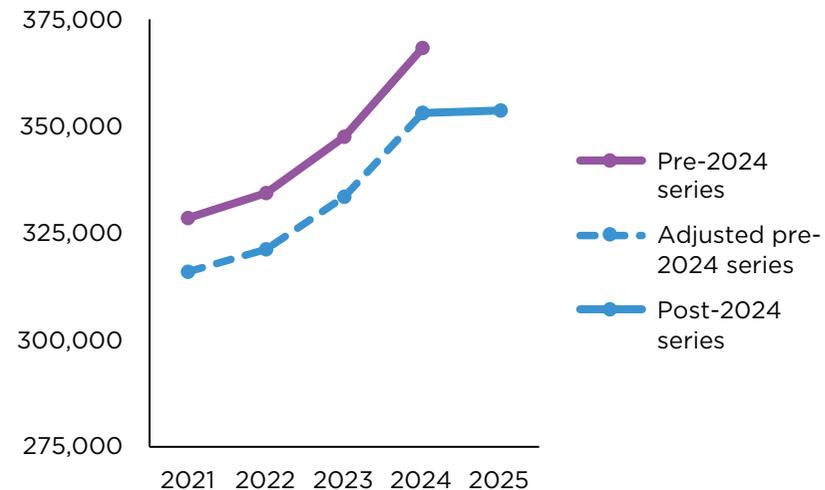
In 2024, the DfE reported that the early years workforce had grown by 39,559 staff since 2021, an increase of 12 per cent. This increase was primarily driven by a rise of 41,899 (18 per cent) among staff in group-based providers. Smaller increases were seen in school-based providers (5,876; 11 per cent), but both increases were slightly offset by a reduction in childminding staff (8,216; 21 per cent).

Group-based providers have consistently accounted for nearly three-quarters of the early years workforce, with this proportion increasing from 72 to 74 per cent between 2021 and 2024. School-based providers have constituted 16 per cent of the sector over this same period, while the proportion of childminders has declined to 10 per cent. Staffing trends in group-based providers consequently drive staffing levels across the sector as a whole.

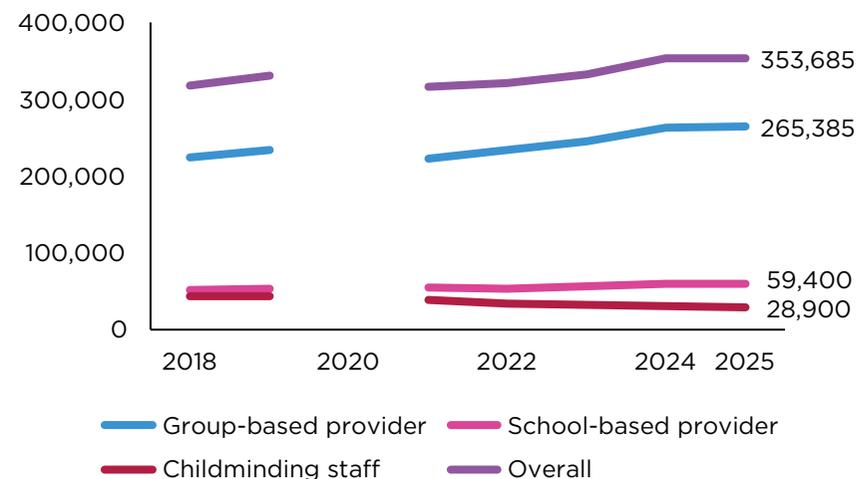
In 2025, the DfE revised its statistics for 2024 following changes to the statistical weighting methodology relating only to group-based providers. We used the previous and new estimates for 2024 to adjust the level of the pre-2024 data (shown by the dotted line) to approximate the trend under the post-2024 methodology. We implicitly assume that while the estimated overall staff numbers have reduced due to the methodology change, the pre-2024 trends would have remained the same. This adjustment allows us to compare the trends all the way through to 2025.

The 2025 data suggests that staff numbers may have plateaued across both group-based and school-based providers between 2024 and 2025 (both based on the same statistical methodology), with childminder numbers continuing to drop. According to the SCEYP data, in 2025, the number of staff in the sector increased by just 628 individuals, or 0.2 per cent of the 2024 workforce. This represents a stark change from the trend of recent years, although it is important to note that SCEYP is based on a survey rather than a census, so has a margin of error.

Number of paid staff in early years settings



Total number of paid staff by provider type



Source: NFER analysis of SCEYP, 2025. The lower chart uses the adjusted series.

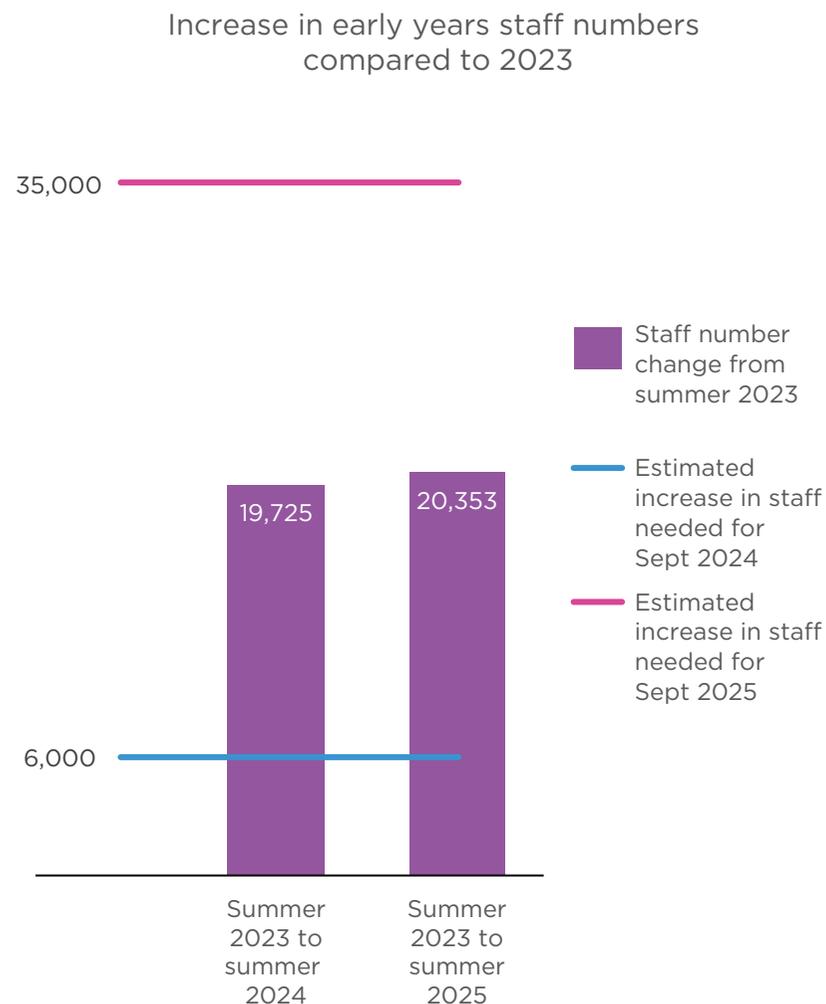
Staff numbers appear to be considerably below the Government's estimated requirement for delivering the fully expanded childcare entitlement

In October 2024, the Government estimated that an additional 6,000 staff would be required above the December 2023 baseline to meet the needs of the anticipated increase in demand following the first two stages of the entitlement expansion in September 2024. It also estimated that a further 29,000 staff would be required to deliver the final stage in September 2025, combining to an additional 35,000 additional staff compared to the same December 2023 baseline in total.

However, the Government did not define how many staff the December 2023 baseline referred to. The SCEYP captures staff numbers when the survey is completed, typically between May and July. SCEYP data shows that the number of staff grew between summer 2023 and summer 2024, meaning there is some uncertainty about what an appropriate baseline staff number would be to assume. We compare to summer 2023 but recognise that the baseline could be higher as more staff may have been employed between the summer and December.

Our analysis shows that the Government's requirement is likely to have been met for September 2024, even if a higher baseline is assumed. Take-up for the first two stages of the free childcare entitlement was found to be higher than predicted, but with no meaningful increase in the proportion of children in formal care over the same period (suggesting a lot of switching from paid-for to free childcare) (Farquharson *et al.*, 2026).

However, the apparent plateau in staff numbers between 2024 and 2025 means that the increase in staff up to summer 2025 may be far below the estimated requirement of 35,000, especially if a higher baseline is assumed. We previously reported that the increase in the workforce that would be required for September 2025 was on track to being achieved, as long as the rates of growth and acceleration in staff numbers continued (Flemons and Worth, 2025). The 2025 data indicates that this may not have been the case.



Source: NFER analysis of SCEYP, 2025 and DfE (2023).

Staff shortages may be limiting the entitlement expansion, but it is hard to say definitively

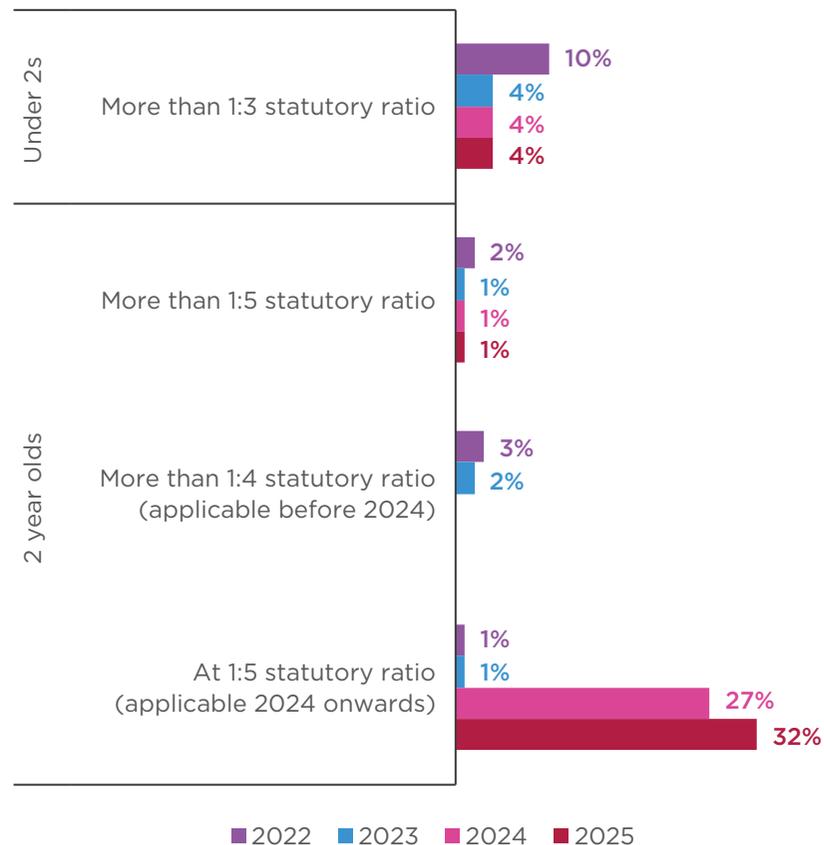
Our analysis indicates that there may be a national shortfall in the staff numbers required for the final stage of the entitlement expansion in September 2025. However, as the data on staff numbers was collected between May and July 2025, it is plausible that settings were waiting until later in the year to employ additional staff to meet the needs of the entitlement. The number of vacancies in May 2025 was lower than it had been in November 2024, but this could have also changed during the summer of 2025 (Government Social Research, 2025).

In a DfE survey in May 2025, 58 per cent of providers expected to offer all parents all of the additional funded hours they would like from September. A further 21 per cent expected to offer all parents at least some of the additional funded hours they wanted. However, more than half (55 per cent) cited ‘not enough staff’ as a challenge associated with delivering the new entitlements (Government Social Research, 2025).

Providers may be able to make more places available, despite staff numbers not increasing, by increasing staff-child ratios. However, this may have implications for the quality of provision. The data up to 2025 suggests that while providers are making more use of the increased statutory maximum ratio for two-year olds since its introduction in September 2023 (see figure), there is no evidence yet of more providers operating beyond statutory ratio limits. If staff shortages are present, then it is possible that the number of providers operating at or beyond statutory ratios could increase next year.

However, if staff shortages are present, then a lack of available places may be a more likely consequence. Half (51 per cent) of group-based providers and around a third of school-based providers (30 per cent) had at least one child on a waiting list in November 2024. Two thirds (66 per cent) of providers reported that the number of children on their waiting lists had increased since the September 2024 entitlements expansion. Nearly half of group-based providers (45 per cent) with a waiting list reported that ‘staffing issues’ was a main reason for having one (Government Social Research, 2025).

Proportion of group-based providers operating with a certain staff:child ratio (%)



Source: NFER analysis of SCEYP, 2025.

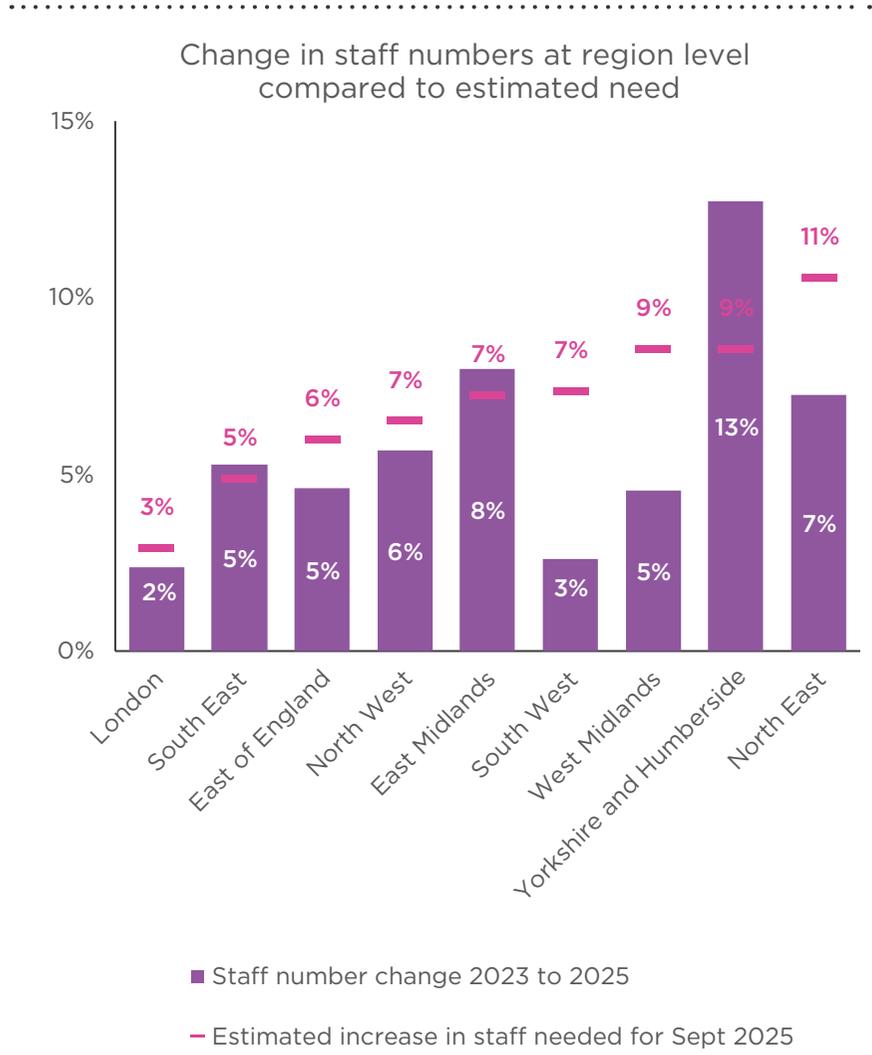
Some regions may be worse affected by potential staffing shortfalls than others

The potential shortfall in staff numbers compared to the DfE’s estimated requirements is not evenly distributed across the country. Using the DfE’s estimates of local area additional place needs, we calculated an implied increase in staff needed for each region (above the December 2023 baseline) for meeting expected demand following the September 2025 expansion. Due to differences in existing childcare capacity and take-up, the required staffing increases for September 2025 vary considerably across the country, from just two per cent in London to 11 per cent in the North East. These are even more variable at a local level, from no change expected in many London boroughs to a 31 per cent increase estimated to be required in Sunderland.

Comparing these regional estimated additional staffing requirements with the increase in staff by region reported in SCEYP shows that different regions are likely to be facing substantially different circumstances. However, additional caution should be taken when interpreting regional figures because SCEYP is a survey and not a census and the regional data is likely to have a higher margin of error than the main survey data. The South West, West Midlands and North East demonstrate the most significant gaps between expected and actual growth in the workforce between 2023 and 2025. SCEYP data shows that estimated staff numbers in the North East declined by 5 per cent between 2024 and 2025.

In contrast, Yorkshire and Humberside appears to have seen high staff number growth between 2023 and 2025. This may be more than the predicted growth requirements, although this also depends on what assumptions are made about the baseline level of staffing. Likewise, the estimated growth in staff numbers in the South East and East Midlands appears to have been around the level required, although this again depends on how the baseline level is assessed.

It is probable that differences between the required and actual staff numbers are also observed at a more local level, perhaps with even greater variation between the two. However, there is no data available from SCEYP to report on these levels.



Source: NFER analysis of SCEYP, 2025 and DfE (2023).

Turnover rates are improving, but the reasons behind this are not clear

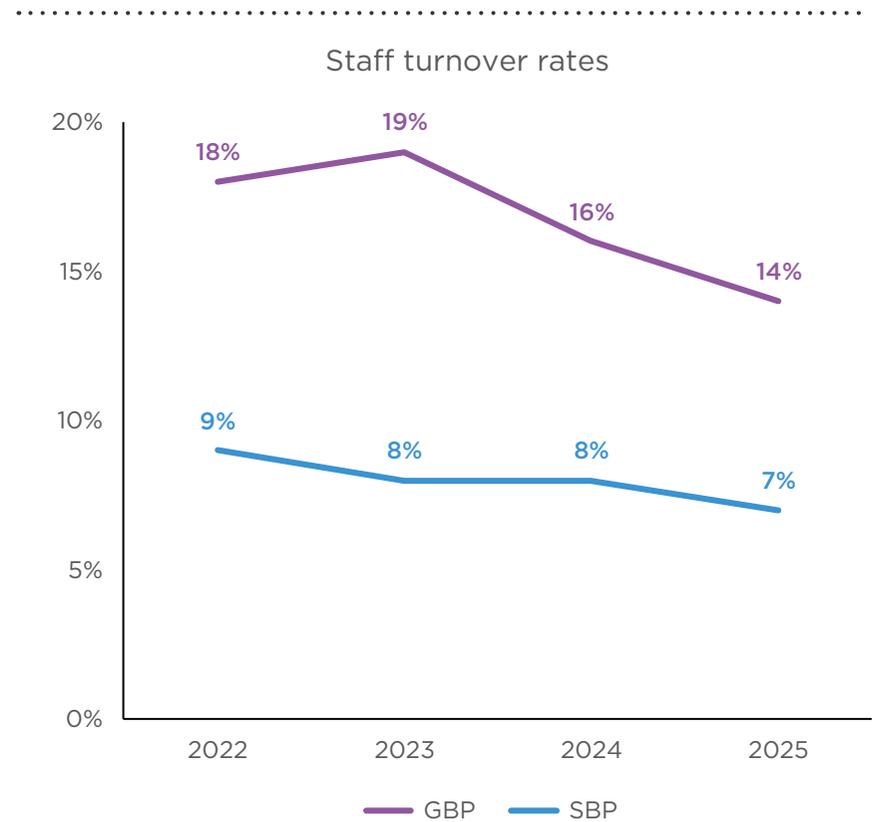
In 2025, group-based providers had a turnover rate of 14 per cent. This means that approximately one in seven staff members left their provider, either to move to a different provider or to leave the sector entirely. However, turnover rates in group-based provision have been falling since 2023.

Turnover rates in school-based providers have consistently been much lower, at approximately half of those in group-based providers (7 per cent in 2025). This means that approximately one in 14 staff members left their provider that year. These rates have also been declining in recent years, albeit more slowly than what has been seen for group-based provision.

There is evidence that turnover in the early years is related to the low levels of pay, limited career progression and high demands of the role (Social Mobility Commission, 2020). While there are no clear indications of shorter working hours or better conditions in school-based providers, their staff are paid substantially more than those in group-based providers, which may be driving this difference.

However, the 2024 SCEYP data showed that lower-qualified staff tend to have higher rates of turnover and are over-represented among those leaving, while the reverse is true for higher qualified staff. This means that lower turnover rates seen in school-based provision, which tends to have higher qualified staff, may reflect qualification-related trends rather than the effect of working conditions. Data on turnover rates by qualification level was not made available in the 2025 update.

Given that pay levels have not improved significantly in real terms since 2023 - and not compared to the overall population - it is likely that this decrease in turnover rates simply reflects the slowing down of available opportunities in the wider labour market in recent years as a result of challenging economic conditions. Nonetheless, research indicates that this trend is likely to still have a positive impact on the quality of provision, as lower turnover means staff can develop stronger relationships with the children and their families (Owston, Jones and Stanley, 2024).



Source: NFER analysis of SCEYP, 2025.

A higher qualified workforce is likely to deliver better quality early years education and care, but qualification levels remain low

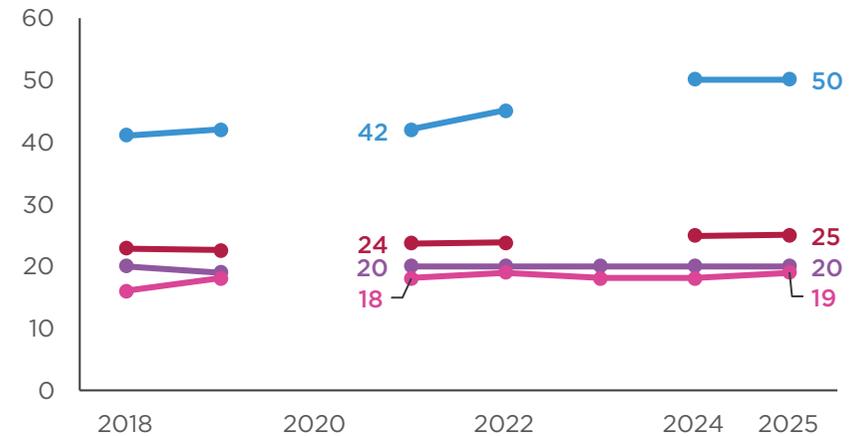
There is strong evidence linking higher qualification levels of early years staff with high-quality provision and children’s outcomes (Melhuish and Gardiner, 2020). Early years settings with a graduate member of staff score more highly on quality measures than other settings, while settings with a graduate and a high proportion of staff qualified to level 3 (A-level equivalent) tended to be more highly graded by Ofsted (Mathers and Smees, 2014).

However, the proportion of early years staff with a level 4 or above early years or teaching-related qualification remains relatively low at a quarter of the overall workforce. The proportion of higher qualified staff is highest in school-based providers, where the proportion has risen from 42 per cent in 2021 to 50 per cent in 2025. In contrast, only a fifth of staff in group-based providers (20 per cent) and childminders (19 per cent) are qualified to level 4 or above.

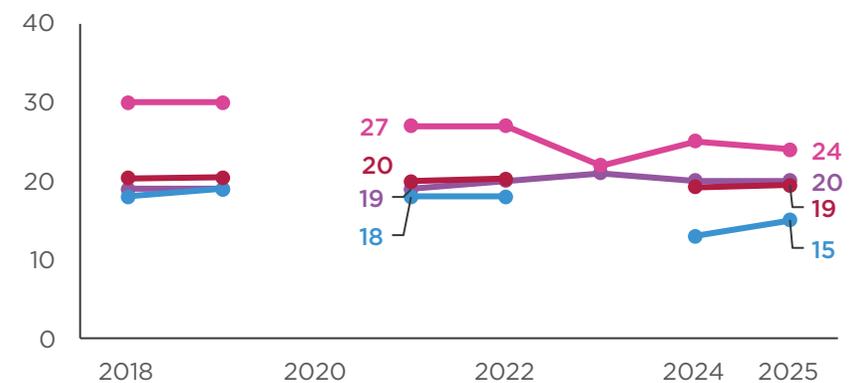
The proportion of early years staff with a level 2 or below early years or teaching-related qualification has fallen very slightly from 20 per cent in 2021 to 19 per cent in 2025. The proportion of staff qualified to level 2 or below is lowest in school-based settings, albeit with a still notable 15 per cent, compared to a fifth of staff in group-based providers and a quarter (24 per cent) of childminders.

The Government’s Best Start in Life strategy states that it wants ‘there to be a clear pathway and training routes for early years educators to progress their careers and achieve higher level qualifications’ (DfE, 2025a). It aims to give early years staff access to ‘high-quality training at each stage of their career, built on a “golden thread” of evidence-informed early years teaching practice’. The Government also plans to increase the number of early years initial teacher training (EYITT) places and to roll out a new degree apprenticeship route. However, for such investment in training to be effective long-term, it will require that staff are enabled, supported and motivated to undertake training and that pay rates reward additional skills and training to help ensure these staff are retained.

Proportion of staff with a level 4 or above early years qualification (%)



Proportion of staff with a level 2 or below early years qualification (%)



● All group-based providers ● All school-based providers
● Childminders ● Overall

Source: NFER analysis of SCEYP, 2025.

Pay levels for early years staff are much lower compared to the wider workforce, but have risen in relative terms recently

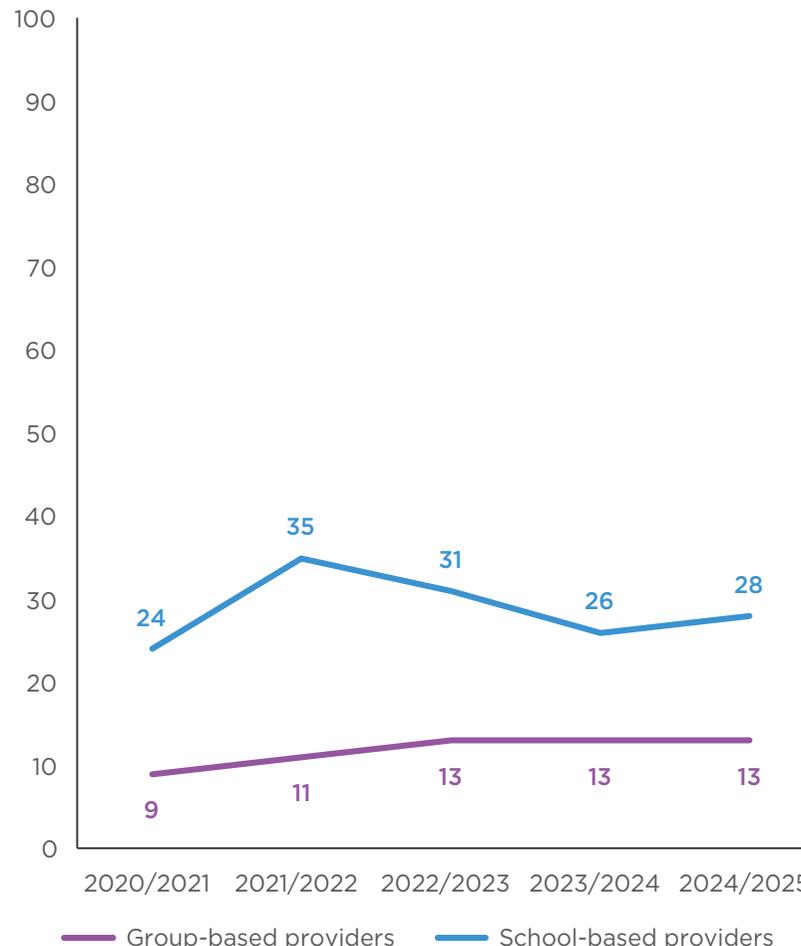
Pay for early years staff has consistently been identified as a key driver of staffing challenges. While early years providers are responsible for setting pay levels for their staff, levels of Government funding – including funding rates for free entitlement hours – have a strong influence over what is feasible for a provider to pay (Haux *et al.*, 2022).

Data from the Annual Survey of Hours and Earnings (ASHE) shows that median hourly earnings for early years staff are considerably lower than in the wider workforce. Among staff in group-based providers, the median of hourly earnings is at the 13th percentile of the earnings distribution, meaning that 87 per cent of employees in the wider workforce earn more than this. However, this represents a slight improvement since 2020/21, when the median for group-based staff was at the 9th percentile.

School-based early years staff tend to be paid more highly, reflecting their higher levels of qualifications. However, the median of hourly earnings of school-based early years staff is still only at the 28th percentile in 2024/25, meaning that 72 per cent of employees earn more than this.

The median of hourly earnings among all early years staff is at the 14th percentile in 2024/25, close to the median for group-based staff since they are the largest staff group in the early years workforce. Childminders are not included in this analysis as a large proportion of them are self-employed, and therefore not covered by the ASHE survey.

Position of median hourly earnings within the earnings distribution of England's employed workforce



Source: NFER analysis of ASHE data.

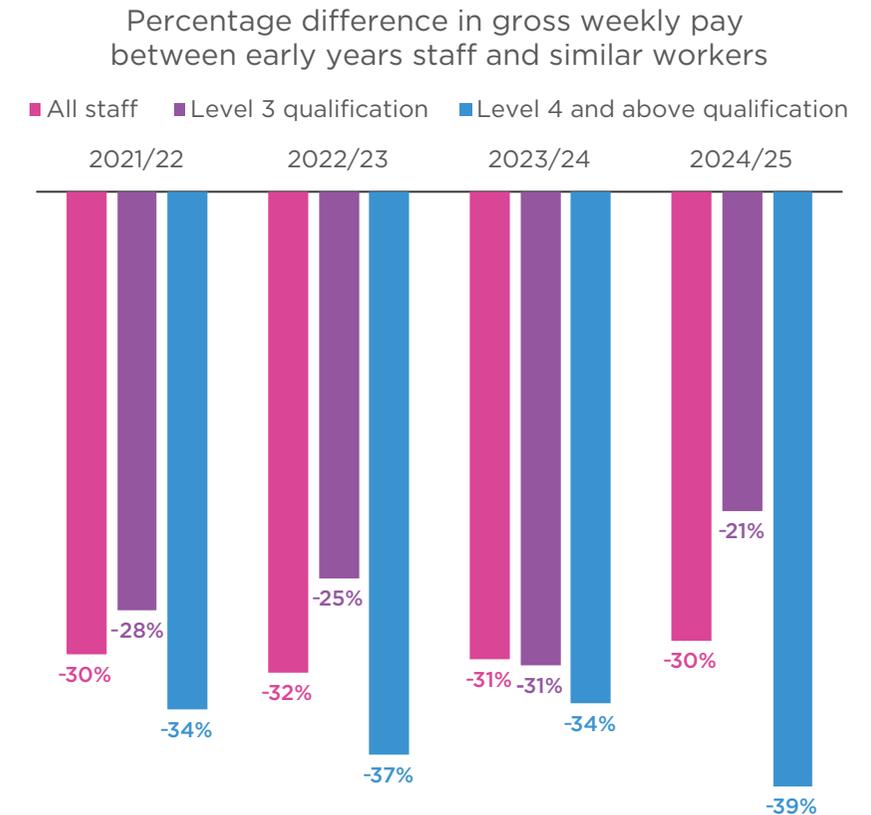
Early years pay is low compared to otherwise similar workers, especially among those who are more highly qualified

Part of the explanation for low pay in the early years sector is that few early years staff are graduates with a level 6 (i.e. degree-level) qualification or higher, who tend to be paid more highly than other employees in the wider workforce. To explore the earnings gap further, we compare the gross weekly earnings of early years staff with a group of 'similar workers'. Similar workers are workers in other jobs who are otherwise similar according to their age, sex, region, highest qualification level and working pattern (see methodology appendix for more details). Where we compare sub-groups (for example, by qualification level) we derive a different comparison group of 'similar workers' in the same way.

The data shows that early years staff consistently earn around 30 per cent less than otherwise similar workers. While this comparison does not account for all underlying differences in characteristics between these groups, it does account for differences in their qualification levels (as well as the other characteristics listed).

In 2024/25, the pay gap for staff with a level 3 qualification was slightly smaller than the overall gap, at 21 per cent. This gap has fallen over time, from 28 per cent in 2021/22 and 31 per cent in 2023/24. In contrast, the relative pay gap for higher qualified staff is larger and has grown in recent years, from 34 per cent in 2021/22 and 2023/24 to 39 per cent in 2024/25.

Pay compression due to increases in the statutory National Living Wage (NLW) is likely to be a key factor here (see also EECC, 2025). The NLW has increased faster than average earnings over the last few years, rising by 28 per cent between 2021/22 and 2024/25. Data from the ASHE shows that the lower quartile of pay for all early years workers has increased by 29 per cent and the median increased by 27 per cent over the same period. However, the upper quartile of pay for early years workers has only risen by 21 per cent over this time. This pay compression may reduce the incentive for lower qualified staff to train and qualify to higher levels.



Source: NFER analysis of LFS data.

Early years workers work similar hours to otherwise similar workers, but some higher qualified staff would prefer fewer hours even if this meant less pay

We use data from the Labour Force Survey (LFS) to compare the average working hours of early years staff to those of similar workers. Such comparisons are challenging when a large proportion of staff work part time, as they do in early years, and holiday entitlements across the year can also differ.

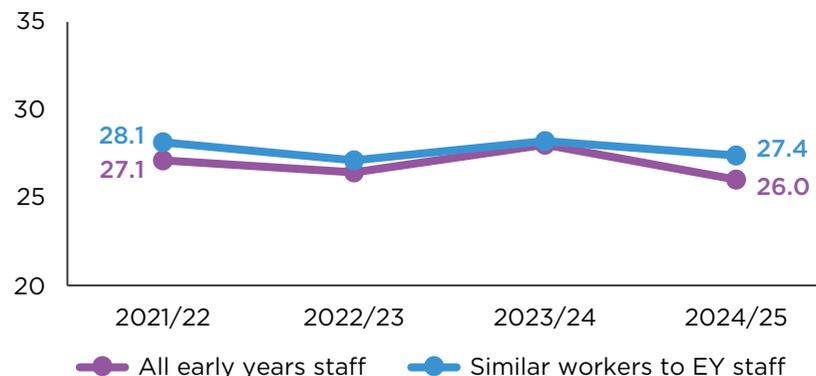
The top figure shows the trend in the average number of reported working hours during the reference week since 2021/22. Working hours are averaged across the year and include periods of holiday or absence. When deriving the ‘similar workers’ group we ensure that the two groups do not differ in their working patterns.

Our analysis across a range of metrics suggests that early years workers do not work significantly different hours than similar workers in other sectors. For example, early years workers who work full time and worked five days during the reference week reported working 38.7 hours in 2024/25, while equivalent similar workers reported 39.2 hours. Overall, our analysis suggests that excessive working hours are not widespread in the early years workforce or likely to be a particular factor affecting the relative attractiveness of the sector.

However, a notable minority of early years staff would prefer to work shorter hours even if it meant less pay, which could reflect an unmet demand for part-time working or working excessive or highly intensive hours. The proportion among all early years staff is similar in 2024/25 to that among similar workers. Early years workers are, however, consistently significantly less likely than similar workers to want to work more hours than they currently do.

The proportion of staff who would prefer to work fewer hours, even if that meant less pay, is highest among higher qualified staff in 2024/25 (15 per cent compared to nine per cent among similar workers). This is the first year since 2021/22 that there has been a statistically significant gap between higher qualified early years workers and similar workers, so the trend should be interpreted cautiously. Nonetheless, it could be an indication of a deterioration in the working conditions of higher qualified staff, as well as their relative pay.

Average working hours during the reference week



Prefer to work shorter hours even if it meant less pay (%)



Sources: NFER analysis of LFS data.

Early years workers with higher qualification levels report more limited opportunities for career progression

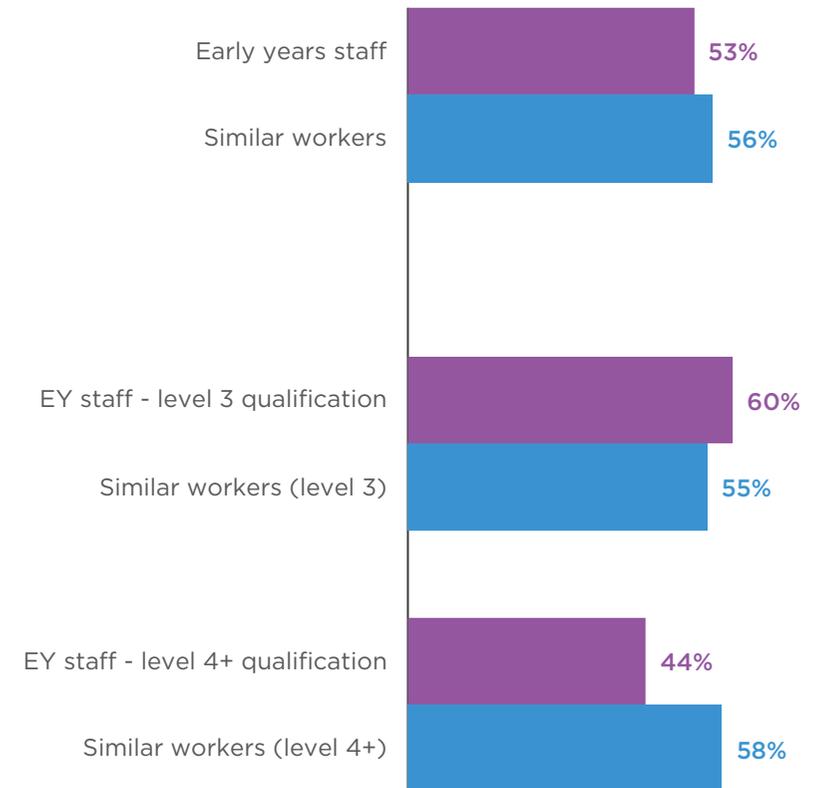
Our analysis shows that early years workers in 2024 were slightly less likely than similar workers to agree that there are opportunities for career progression at their work (53 per cent compared to 56 per cent), but this difference is not statistically significant.

A similar proportion of early years staff and similar workers with level 3 qualifications agree that they have opportunities for career progression, with the difference not being statistically significant. However, there is a significant difference among higher qualified staff, with higher qualified early years staff less likely to report having opportunities for career progression compared to similar workers.¹

This suggests that the early years sector may not be attractive in the long term for staff with higher qualification levels. Relatedly, there may be little long-term incentive for gaining higher qualifications if it is unlikely to lead to progression. For example, nursery managers only require a level 3 qualification, suggesting that – particularly in group-based providers – more senior positions may not require higher qualifications.

As noted above, there is a challenge of pay compression due to funding squeezes and rises in the NLW, which means that the pay premium associated with having higher qualifications in early years may be reducing. The data also suggests that there is a longer-term challenge of making career progression attractive enough to retain more highly qualified staff in the early years sector.

Proportion who agree that they have opportunities for career progression, 2024



Source: NFER analysis of APS data.

¹ In our September 2025 report on the early years workforce we reported that lower qualified early years staff were less likely to report having career progression opportunities, but this was incorrect due to a coding error in the analysis (Flemons and Worth, 2025).

Early years work offers higher levels of workplace representation, including for lower qualified staff

Our analysis shows that, overall, early years workers are more likely than similar workers to agree that their managers are ‘good’ or ‘very good’ at involving employees in workplace decision-making. This difference is primarily driven by a large gap between early years workers qualified to level 3 and both their higher qualified peers and workers with the same qualification level in other sectors. While perceptions of workplace representation among higher qualified staff was equivalent to similar workers in 2024, this is a break in the trend from 2021 to 2023 where all workers qualified to level 4 or above had higher perceptions of workplace representation compared to similar workers.

There were insufficient sample sizes for staff qualified to level 2 or below to draw comparisons with lower qualified similar workers. It is possible that this is related to the lack of progression structure within providers, as a range of different qualification levels will be represented in the management structure of group-based providers, in particular, which is likely not always the case in other sectors. However, it is worth noting the drop for more highly qualified staff between 2023 and 2024. This may be volatility in the data due to somewhat small sample sizes. However, given the Government’s focus on raising qualification levels within the profession, further research may be required to understand whether these perceptions are changing and, if so, what is driving this.

Proportion rating managers as ‘good’ or ‘very good’ at involving employees and their representatives in workplace decision making, 2024



Source: NFER analysis of APS data.

Early years staff report higher levels of general wellbeing and fulfilment than similar workers – and this difference is increasing over time

The data on general wellbeing indicators shows that early years workers have lower levels of anxiety and higher levels of life satisfaction and feeling that what they do in their life is worthwhile compared to similar workers. In 2024, early years workers reported low levels of anxiety (3.0 out of 10), compared to moderate levels (3.5) among similar workers. Early years workers also reported high levels of life satisfaction (7.9 out of 10) and a sense that what they do in their life is worthwhile (8.3 out of 10). In both cases, these levels were higher than among similar workers (7.5 and 7.9, respectively). Early years workers also reported a high level of happiness (7.5 out of 10), equivalent to that of similar workers (7.4).

Moreover, the gap between early years workers and similar workers has been on an upward trend since 2021/22 across several of these metrics. While similar workers are becoming increasingly anxious, early years workers appear to be becoming less so. Similarly, while the life satisfaction levels of similar workers are decreasing, those of early years workers are increasing. Happiness levels are an exception, however, with no clear trend. As none of these metrics were specifically related to workplace wellbeing, this may indicate that happiness levels are particularly distinct from workplace experiences.

The difference between early years workers and similar workers for life satisfaction and the sense of things they do in life being worthwhile is particularly notable among workers qualified to level 3. This may indicate that early years offers workers with mid-level qualifications more fulfilling work opportunities than those on offer to similar qualification levels in other sectors. This is further supported by the higher levels of perceived career progression among level 3 early years workers, compared to those in other sectors.

Average wellbeing (0-10 scale), 2024



Source: NFER analysis of APS data.



Conclusions and policy recommendations

The Government has set ambitious objectives for the early years sector that require a large and skilled workforce to deliver them. However, achieving these objectives may be jeopardised by substantial workforce challenges.

The Government estimates that 35,000 more staff will be needed by September 2025 to deliver the expanded childcare entitlement to children from 9 months old. However, the latest data on staff numbers across the sector suggests that previous strong growth may have plateaued in 2025, just as the new entitlement was rolled out. Overall staff numbers may consequently be considerably below the Government's estimated requirement for delivering the fully expanded childcare entitlement. However, it is possible that substantial recruitment occurred after the most recent data was collected, in the final months before the expansion.

Regional data indicates that there may be particular staffing challenges in the South West, West Midlands and North East, where growth in staff numbers appears to have been far below what the Government anticipated would be required. This may result in some parents being unable to access all the free childcare they would like due to a lack of available places, but this is not definitive from the available data.

The Government's early years strategy aims to deliver both the expanded entitlement and the ambition that 75 per cent of 5-year-olds in England have a good level of development by 2028. Evidence linking higher qualification levels of early years staff with high-quality provision and children's outcomes is strong, yet the proportion of staff with higher qualifications remains relatively low, particularly in group-based settings.

Our analysis indicates that the relative attractiveness of the early years sector to higher qualified staff is of particular concern. Pay is especially low among more highly qualified early years staff when compared to otherwise similar workers: 39 per cent lower for those with level 4 and above qualifications (beyond A levels

or equivalent), compared to 21 per cent lower for staff with level 3 qualifications (A levels or equivalent). More highly qualified early years staff also report significantly more limited opportunities for career progression compared to similar workers.

The Government's aim to create a clear pathway and training routes for early years educators to progress their careers and achieve higher level qualifications is welcome. However, ensuring the sector is attractive over the long term for those who pursue higher training and qualifications is critical to recruiting and retaining a highly skilled workforce.

Recommendations

- The Government should ensure that funding rates support early years providers to offer competitive wages to recruit and retain staff with a pay structure that rewards higher qualification levels.
- The Government should implement its policy proposals on the early years professional development offer and career pathway to upskill the current workforce.
- Alongside greater availability of professional development, the Government should carefully explore the role of regulation in providing clear opportunities for career progression and a pay structure that incentivises gaining further qualifications.
- The Government and providers should emphasise the high sense of worthwhileness, fulfilment and positive working environments that can be found in early years as part of recruitment.



Research and data recommendations

The DfE's SCEYP data collection provides basic information about the early years workforce, drawing on provider-level survey responses from a representative sample. Our analysis in this report contributes insights on pay and working conditions from other survey datasets, although they are not specifically designed as surveys of workers in early years.

Generally, there is a severe lack of detailed data and insights on the challenges facing the early years workforce. High-quality data and research that is specific to the experiences of early years staff can inform the development of policy responses that are appropriate, effective and well-targeted. It can also support the Government to better assess the effectiveness of the policy interventions they introduce. The policy focus on early years education should prompt the Government to upgrade the sources of early years workforce information available. There are also a number of outstanding key research questions from our and other researchers' evidence to date.

Recommendations

- The Government should commission a large-scale nationally representative survey of early years staff to understand more about their job satisfaction, working conditions and career perceptions. The Government should also consider the value and feasibility of establishing it as a longitudinal staff survey for the early years, similar to the Working Lives of Teachers and Leaders survey.
- The Government should consider designing the new early years professional register so that it provides individual-level data capturing staff characteristics and employment information and has high sector coverage, similar to the School Workforce Census or Further Education Workforce Data Collection.
- More research should be undertaken to understand the pressures on higher qualified staff in early years and how to address them, as our research indicates that they face a larger relative pay gap and are significantly less likely to report career progression opportunities compared to similar workers.
- Further research should be undertaken to understand the complex nature of work and workload in the early years sector and its impact on retention. Our analysis indicates working hours are comparable to similar workers, but other research has highlighted specific issues of long and intensive working hours impacting on retention.



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