



# The Case for Investment in Early Care and Learning

---

Child Care Council of Westchester, Inc.  
2008



# What is “Early Care and Learning”?

---

A system of providing care and age-appropriate learning opportunities for children 0 – 5 years old

- Day Care or Child Care
  - At a Center
  - In another person’s home – friend or relative
  - In child’s home – nanny, relative
- Nursery school
- Head Start
- (After-school care for school-age children)



# Revenue Sources for Early Care and Learning

---



# Economic Benefits of Investment in Early Care and Learning

---

The Early Care and Learning industry:

- ❑ Supports regional economies and local employers, contributing jobs and income
- ❑ Enables parents to work, increasing family earnings and purchasing power
- ❑ Helps children succeed in school and life, leading to productive, wage-earning citizens



# Early Care and Learning: Important Economic Sector

---

- ECL sector in New York State:
  - 22,000 small businesses
  - Generates \$4.7B annually
  - Enables 750,000 parents to work
  - Employs 119,000 teachers, aides and staff



# Quality Early Care and Learning: Benefits to Employers

---

- 63% of employees report improved productivity while using quality dependent care
- 29% of employed parents experienced child care breakdown in past 3 months – absenteeism, tardiness, reduced concentration
- Average working parent with young children misses 13 days/year



# Economic Benefits of Investment in Early Care and Learning

---

Minneapolis Federal Reserve: “*Early Childhood  
Development with a High Public Return*”

- Returns on ECL investments far exceed most economic development public projects

<http://minneapolisfed.org/pubs/fedgaz/03-03/earlychild.cfm>



# Economic Benefits of Investment in Early Care and Learning

---

Nobel economist James Heckman: *“The Productivity Argument for Investing in Young Children”*

- Cognitive and noncognitive abilities key to productivity - more difficult to mitigate gaps over time
- “Skill begets skill and learning begets more learning” – ECL is investment in future productivity and public safety
- K-12 schooling too late

<http://jenni.uchicago.edu/Invest>





# Long-Term Benefits of Early Education: Longitudinal Research

---

- 3 studies demonstrate returns on investment in **high quality** preschool and early education programs
- Measured longitudinal progress
- Demonstrate significant ROI's
  - Personal benefits – earnings, health
  - Public benefits – less spending on remedial ed, welfare, crime; more tax revenues



# Long-Term Impacts of Early Education

---

## Abecedarian Early Childhood Intervention Project

- Longitudinal study through age 21
- Full-time preschool yielded:
  - Higher intelligence test scores
  - Higher levels of education
  - Delayed parenting
  - School district savings on special/remedial ed
  - Higher earnings
  - Mothers' higher earnings
  - 4:1 return



# Long-Term Impacts of Early Education

---

## High/Scope Perry Preschool Project

- Longitudinal study through age 41
- **High quality** preschool + home visits yielded:
  - Higher graduation rates
  - Higher levels of employment, earnings
  - Fewer arrests
  - Higher rate of home ownership
  - 7:1 return



# Long-Term Impacts of Early Education

---

## Chicago Child-Parent Centers

- 1150 low-income children
- Effect of preschool and kindergarten at CPC:
  - Higher graduation rate
  - Less grade retention
  - Fewer arrests
  - 7:1 return



# Economic Benefits of Investment in Early Care and Learning

---

- Building the future workforce
  - Preparing skilled workers requires strong early learning opportunities
  - High quality ECL important for brain development in earliest years
  - US is less competitive now than 50 years ago; children competing for jobs globally
- Economic development experts: to grow the economy, industry needs **skilled, educated** employees.
- Key challenge facing business and industry: lack of employee skills



# Brain Research

---

- **Scientific evidence** of conditions that influence whether children get off to a promising or worrisome start in life:
  - Importance of early experiences on brain development
  - Capabilities, emotions, and essential social skills develop during earliest years
  - Capacity to increase odds of favorable outcomes



# Brain Research

---

- All children are born wired for feelings and ready to learn:
  - From birth to 5, children rapidly develop **foundational** capabilities on which subsequent development builds.
  - Striking disparities in what children know and can do are evident well before they enter kindergarten.
  - The quality of relationships and experiences in early childhood have a profound effect on the architecture of the brain.

Source: “From Neurons to Neighborhoods:  
The Science of Early Childhood Development”  
Jack P. Shonkoff and Deborah A. Phillips, Editors  
[www.nap.edu/openbook/0309069882/html](http://www.nap.edu/openbook/0309069882/html)



# Westchester County Families

---

- Approx. 74,000<sup>1</sup> children age 0-5
- Approx. 2/3<sup>2</sup> ( $\pm$  50,000) spend at least part of day with someone other than parent
  - More than 20%<sup>3</sup> of children 0-5 in full-time regulated care
- Median income<sup>4</sup>:
  - All families with children: \$80,000
  - Female HOH with children: \$26,000

1 WCA Data Book p.14

2 ETC report p. 35

3 WCA Data Book p.90

4 WCA Data Book p. 37





# Westchester County Children

---

- How/where children are cared for:
  - 42% in-home
  - 34% by grandparents
  - 33% of 3-5 year olds in part-day nursery school
  - 22% in full-day care outside the home
- Many families use multiple kinds of care



# Westchester County ECL is Expensive

---

- Average cost of full-time care at child care center \$12,000 - \$16,000/year
  - In-state SUNY = \$5479/year
- For family with median income, cost of full-time care for 2 children >45% of income



# Why Does ECL Cost So Much?

---

- Labor intensive – 80% of total costs
  - Low salaries: Average Director \$38,750, Teacher \$24,000 and Assistant Teacher \$16,500 (2000 Westchester salary survey)
  - High turnover
- Few economies of scale
  - Small centers, high overhead
  - High cost of meeting regulatory requirements
- Unlike other fields, low third party/public investment



# Key ECL Issues in Westchester

---

- High cost of care
- Many parents concerned about quality of care
- Many ECL businesses struggling
  - Vacancies
  - High costs of business not offset with revenues
  - Most owners/directors lack business skills



# Child Care Council Strategy

---

- Vision: High quality early care and education for all Westchester children, wherever it takes place
- Greater focus on quality and sustainability of ECL businesses
- Multi-faceted initiative:
  - Research
  - Consultation, training and technical assistance
  - Grant making
  - Long-term planning



# What the ECL Sector Needs From You

---

- **Advocate** with employers and government
  - Effective policies and programs
  - Long-term investment
- **Offer HR policies** that help employees access quality child care
- **Help child care businesses** develop business skills
- **Collaborate** with Child Care Council



# Child Care Council of Westchester

---

Championing healthy development of children, families and communities by promoting quality early care and education:

- Linking families and businesses to child care
- Implementing quality improvement strategies for child care
- Advocating for policies and resources that strengthen child care.

Child Care Council of Westchester  
313 Central Park Avenue  
Scarsdale, NY 10583  
[www.childcarewestchester.org](http://www.childcarewestchester.org)