



RESOURCING “CHILD CARE” Reframing the Debate

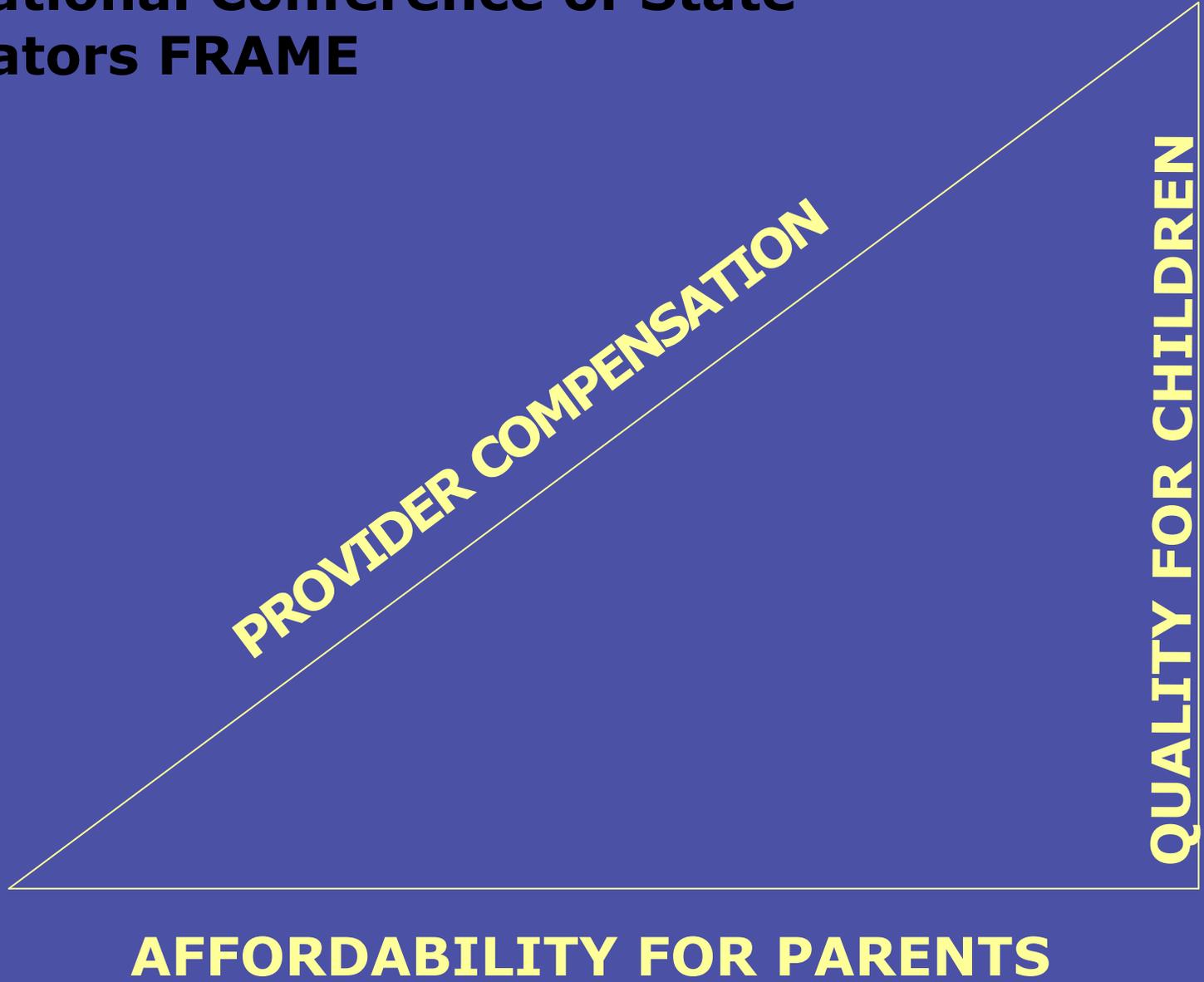
2002 EARN CONFERENCE
October 19, 2002
CT VOICES FOR CHILDREN
Janice Gruendel, Ph.D.



“The central issue in financing child care is the tug of war among three competing factors: quality of services for children, affordability for parents, and compensation for child care professionals.”

National Conference of State Legislators, 2000

The National Conference of State Legislators FRAME



Elements of the Problem

- 1. Finding quality, affordable early care and early learning programs for young children is a challenge for many working parents. Staying home to provide that care is not supported.**
- 2. Compensation within the “child care industry” leaves many providers near the poverty level and well-below economic self-sufficiency AND impacts negatively on quality.**
- 3. Too many children are “unready” for school when they start kindergarten, and they don’t catch up.**

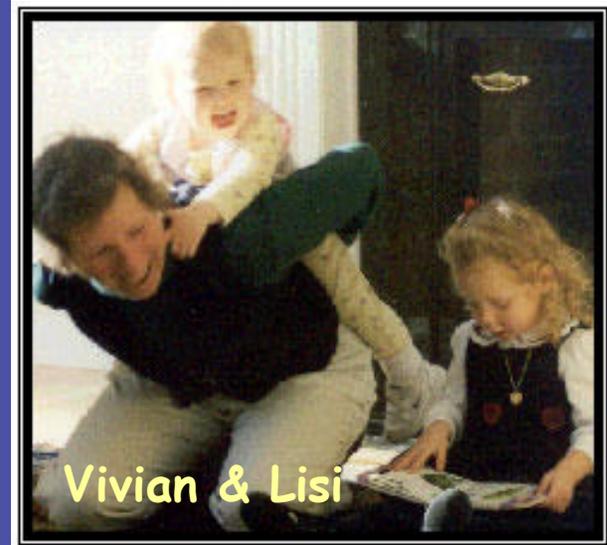
EARLY LEARNING Issues

Brain Development in the Early Years Is A Critical Factor in School Readiness

At birth, a child has 100 billion brain cells, but they are not connected. As children learn, each cell can connect with up to 15,000 other brain cells.

By age 3, the brain's "wiring" can have about 1000 trillion connections, twice as many as adults.

Early experiences influence how and how much of this development occurs.



EARLY LEARNING Issues

All Children Do Not Begin Schooling Equally Ready

When ETS examined the readiness of the nation's 1998-99 kindergarten class, they found "vast inequalities that are apparent even when children enter school."

For kindergarteners, socio-economic status (SES) is related to reading and mathematics proficiency, with children in higher SES groups more proficient than those in lower SES groups.



EARLY LEARNING Issues

These Differences, Related to Family Income, Begin At Home and in Early Care and Early Learning Contexts

Children in middle to upper income families come to kindergarten with a working vocabulary of between 20,000 and 30,000 words.

Children in lower income families come with about 5,000 word vocabularies.



EARLY LEARNING Issues

Early Readiness Predicts Later Performance

“Children who enter kindergarten with limited words reading skills are the most likely to develop later reading difficulties and require remedial education. Even with this subsequent extra help, they continue to lag; children who are not at least modestly-skilled readers by the end of third grade are unlikely to graduate from high school.”

Committee on Economic Development, 2002

EARLY LEARNING Issues

Connecticut Data on Students Outcomes

Students in ERG I -- as compared to ERG A -- are:

2x less likely to attend preschool

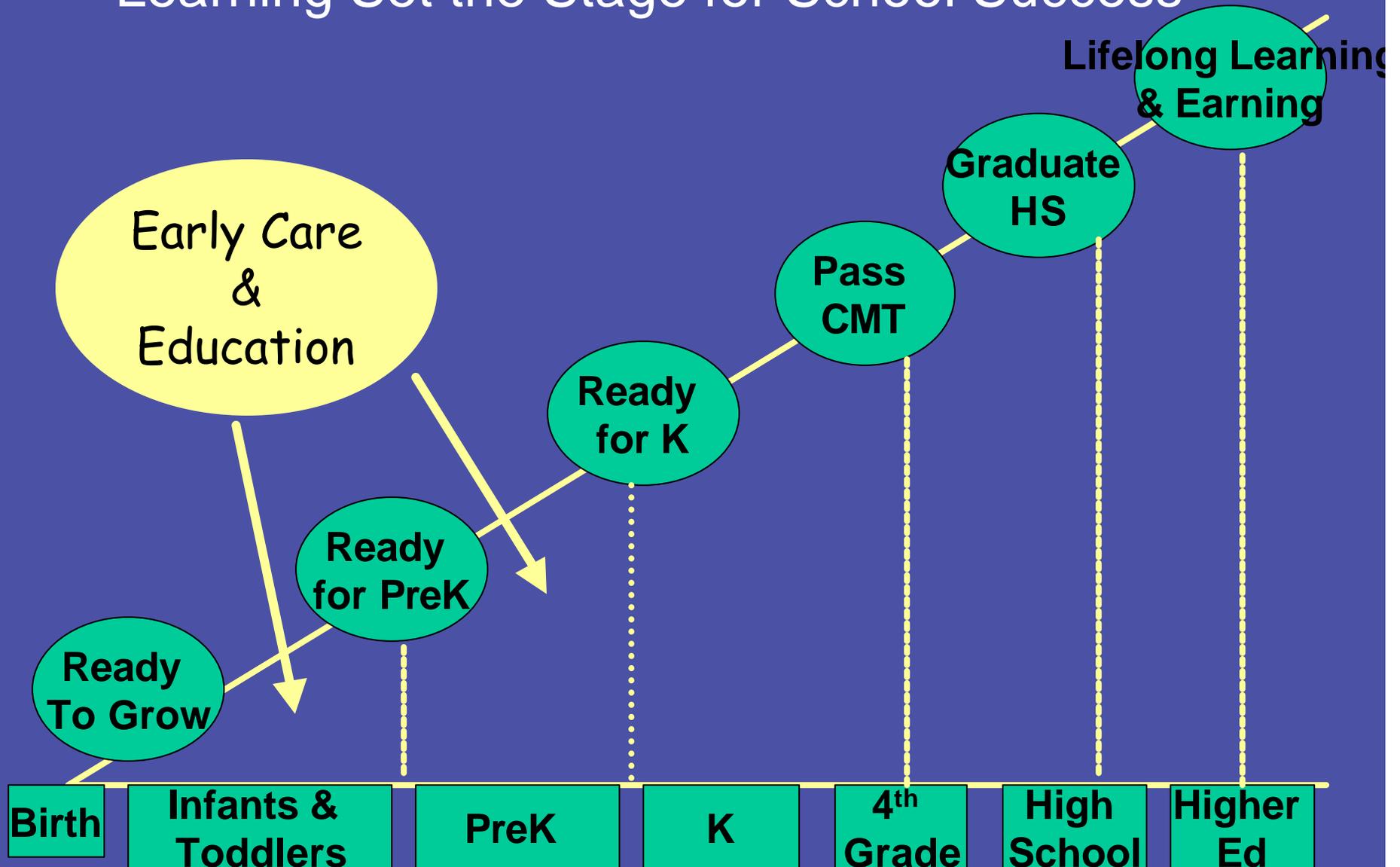
5x less likely to pass the CMT at Grade 4

6.5x less likely to pass the CMT at Grade 8

9x less likely to pass the CAPT in 10th grade

17x more likely to drop out of high school

The BOTTOM LINE – Early Care and Early Learning Set the Stage for School Success



WORKFORCE

Issues

Access to Early Care is an Essential Workforce Support

In 2000, nearly all (92%) Connecticut children under the age of six lived in families with at least one working parent.

More than six in ten (62%) lived in families where both parents, or the only parent, was working.



WORKFORCE

Issues

Affordability of Licensed Care is Significant Issue

Fees for early care and education for Connecticut *infants and toddlers* can range from \$7,000 to \$15,000 or more per child per year.

Full-time programs for Connecticut *preschoolers* can range from \$6,800 to over \$10,000 or more.

Even at these levels, fees to parents do not always reflect total costs, due to “foregone wages.”



WORKFORCE Issues

Many Working Families Utilize Unlicensed Early Care For Cost, Flexibility and Access Reasons

In a UCONN survey of CT families, 80% of infants, 70% of toddlers, and 40% of three to five year olds in child care were in unlicensed care.

There is no assurance of safety, or quality, in unlicensed care.



WORKFORCE Issues

As in All Businesses, Quality Counts

- Lower child to adult ratios and smaller group size result in better child outcomes.**
- Better educated and trained teachers and child care professionals result in better child outcomes.**
- Lower staff turnover results in better child outcomes. Turnover, approaching 50% in CT, is related largely to staff compensation.**

WORKFORCE Issues

Compensation for Employees who Provide Early Care and Early Learning Does Not Yield Family Economic Security

In Connecticut, child care was one of the 10 fastest growing “service” categories in 2000. Yet, the average salary of child care workers was \$20,725, just above the federal poverty level and well-below Connecticut’s self-sufficiency standard of \$35,000 TO \$40,000 for a family of four.

Preschool teachers earned, on average, \$23,955 while butchers in CT earned on average \$40,115 and gaming supervisors earned \$48,310.

The BOTTOM LINE? Early Care has a 3-way impact on the Workforce

Impact on Other Employees with Young Children

Parents lose work time and on-the-job productivity

Impact on the Child Care Employee Pool

High turnover rates
Declining employee pool

Impact on Employers

Increased recruitment and retention costs
Lost productivity
Poor child outcomes jeopardize future workforce

AFFORDABILITY

Issues

Families already bear most of the cost of early care and education.

In early care and education, 60% of the total cost comes from parents and 39% comes from government, and 1% comes from other sources, including business and philanthropy

Contrastively, in paying for higher education, 35% tuition and fees paid by families, nearly half comes from 49% government supports, and the balance from all other sources

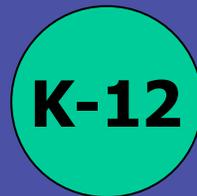
AFFORDABILITY

Issues

“Child care” costs absorb a much greater proportion of family income that does education at any other time in the economic life of a family.



15-35 %

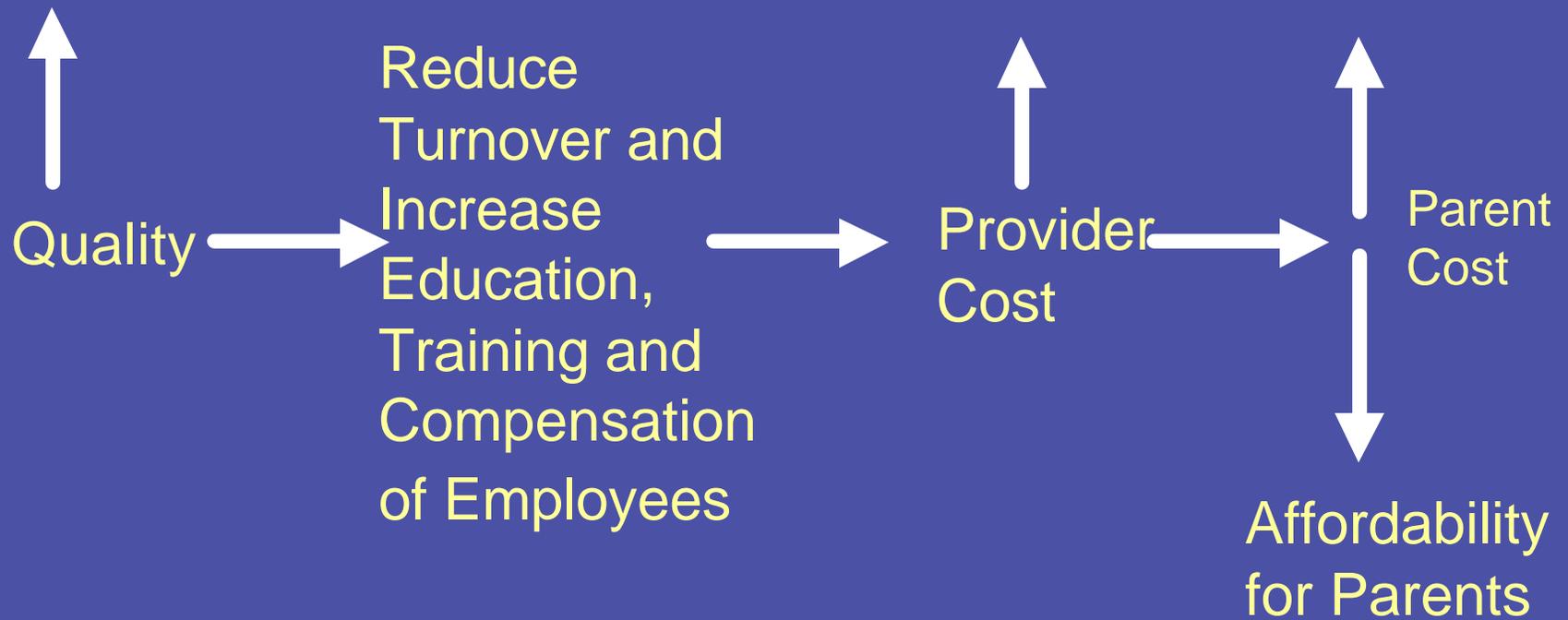


Free



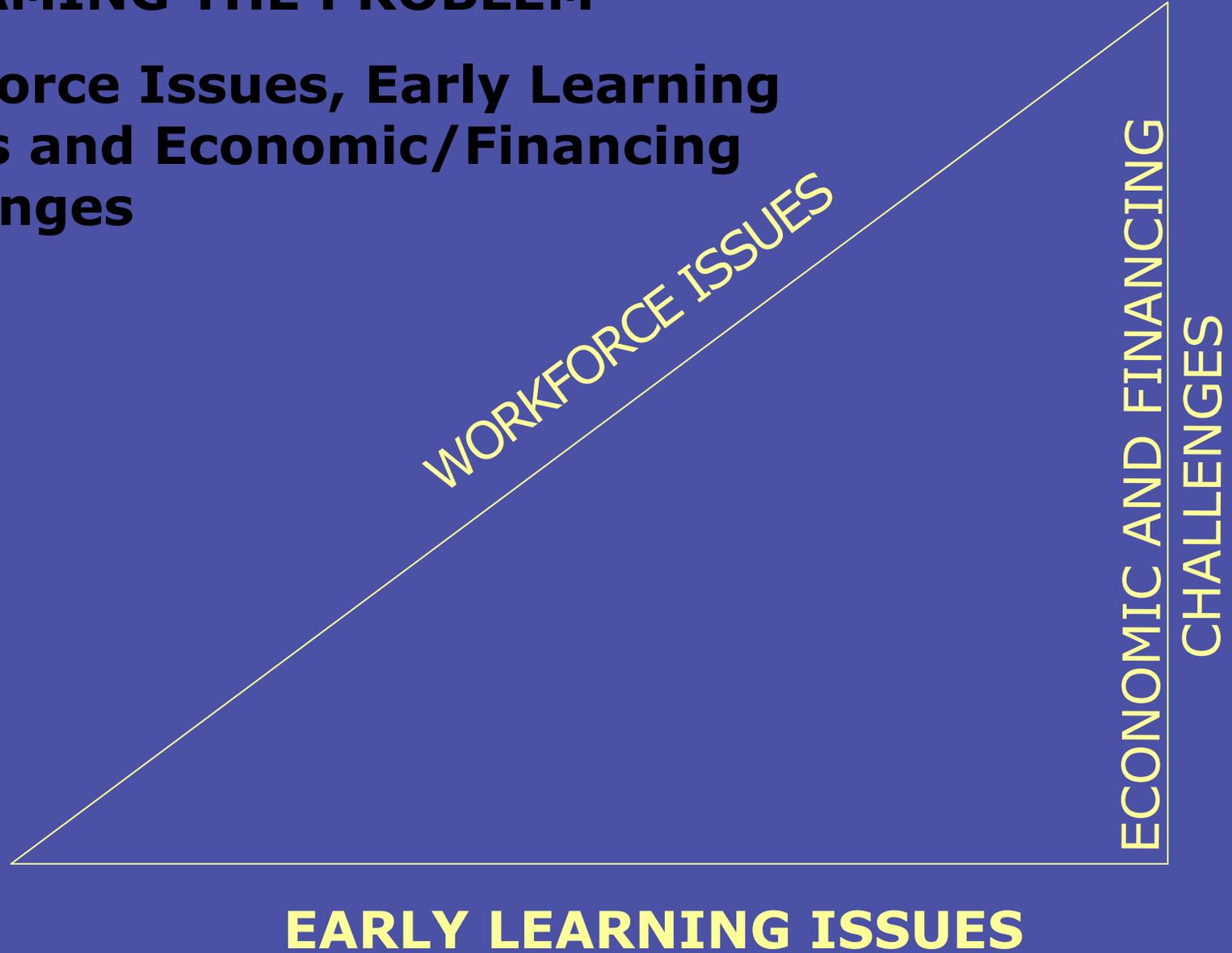
5-7 %

The Economic Challenge



REFRAMING THE PROBLEM

**Workforce Issues, Early Learning
Issues and Economic/Financing
Challenges**



Reframing Our Goals: From a Focus on “Some” to a “Universal” Frame for Early Care and Early Learning

- 1. All children able to enter kindergarten ready to succeed at school.**
- 2. All families who require or desire early care and early learning settings for their young children can find and afford high quality environments. Parents who wish to remain home for a period to provide infant care can afford to do so.**
- 3. All adults working in the field of early care and education (the “child care industry”) are assisted to escape poverty for their own families and to grow into family economic security.**

Reframing the Problem

This is an under-resourced sector serving an under-resourced population in a time of national and state economic decline and competing policy priorities.

Not enough ECE professionals & programs

Inadequate compensation base and career ladder opportunities

Few economic supports for parents to provide some of the care themselves

Most young children in young families and, increasingly, young children in elder families

Workforce and demographic changes, rising inequality, new federal priorities, current state fiscal challenges

The growth of a "service" economy predicts less economic security for families and communities

An aging population predicts decreased resources for an increasingly needy younger population

Because of work and family structure, there is less parental time with children

The growth of income and educational inequality predicts poor outcomes for the next generation

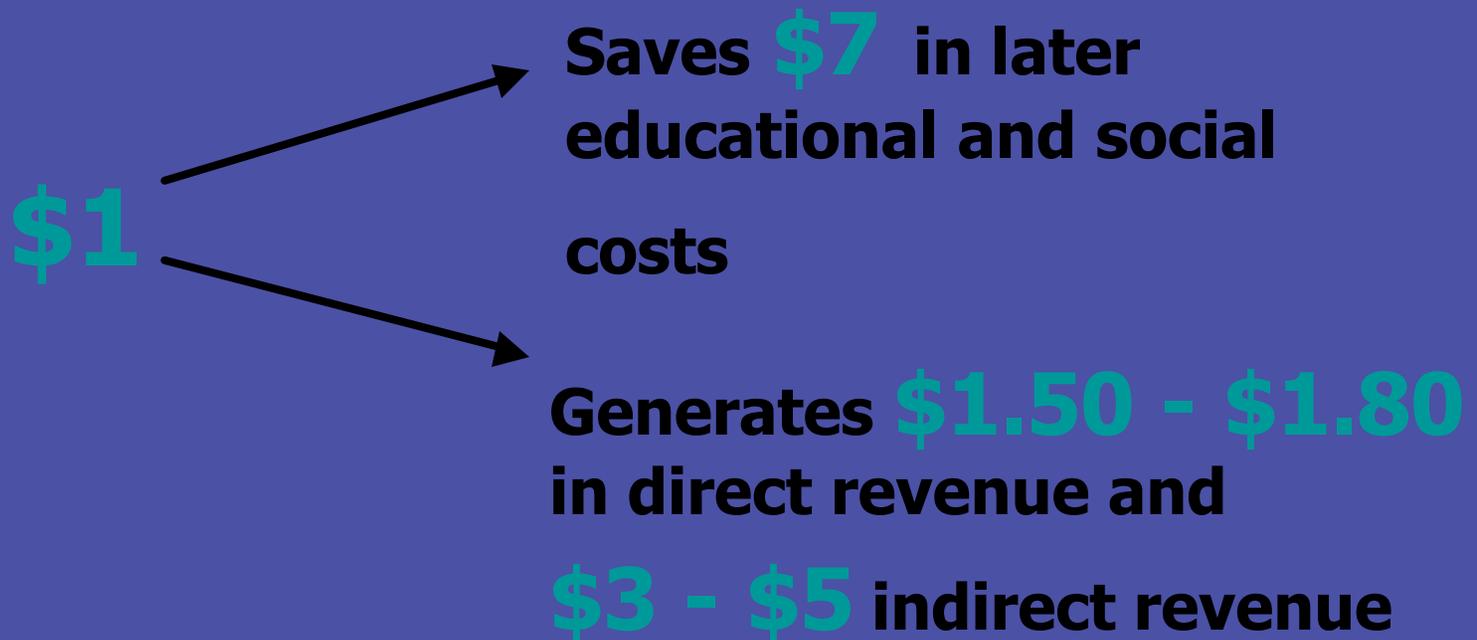


Tax cuts and a large allocation for homeland defense means fewer federal resources for other programs

State budget problems threaten essential supports for today, and tomorrow

ECONOMIC Benefits

Reframing the Benefits Argument to Include Both Cost-Benefits and the Contribution to a State's Economy



Who's Studying These Issues?

Ewing Marion Kauffman Foundation

Packard Foundation

Pew Charitable Trust

Carnegie Corporation

The Finance Project

National Governors' Association

National Conference of State Legislators

National Child Care Information Center

Center for Law and Social Policy

Economic Policy Institute

Alliance for Early Childhood Finance

National Women's Law Center

**Financing Universal Early Care and Education for
America's Children**

Common Approaches Across Successful Financing Initiatives

Embedding child care financing within other frames, including assuring readiness for school, addressing achievement gaps, continuing public support for education, investing for economic development, and improving the skills and knowledge of the adult workforce

Developing new leaders, partners and non-traditional advocates, including housing & higher education as well as civic and business leaders at the community level

Establishing a multi-year term agenda with measurable annual progress, supported by a deliberate marketing plan

Developing reasoned cost models and framing financing proposals in the context of state and local political realities



Examples of Maximizing Federal Revenue Streams: TANF

- Established new quality of care standards (AL, FL, IA, KY, MA, TN)
- Increased funds for nontraditional hours (AZ, DC, MD)
- Increased family income eligibility (AZ, CO, FL, KY, SD)
- Increased provider rates (CO, IL, IA, MA, NJ)
- Implemented career ladder and increasing compensation (IL, MT, OK, WA)
- Expand Head Start and other Pre-K programs (AL, DC, IL, NJ, OK, WI)

Tapping Existing State and Local Funding Streams

--Allocation of state funds for preschool, school readiness, or Head Start (39 states)

--State human services funds to make child care assistance an entitlement (Rhode Island)

--State public health funds for TA to child care providers (PA)

--State health insurance program applied to child care providers (Rhode Island, Kentucky, Maine)

--State higher education funds for child care programs (New York, District of Columbia)

--Youth crime prevention and intervention funds (Colorado)

Building Public-Private Financing Partnerships

Child Care Executive Partnership, Florida
Colorado Business Commission on Child Care Financing
Good Beginnings Alliance, Hawaii
Indiana Child Care Financing Symposium
Child Care Fund of Vermont
San Francisco Facilities Fund
Maine's Coastal Enterprises Child Care Development
Project

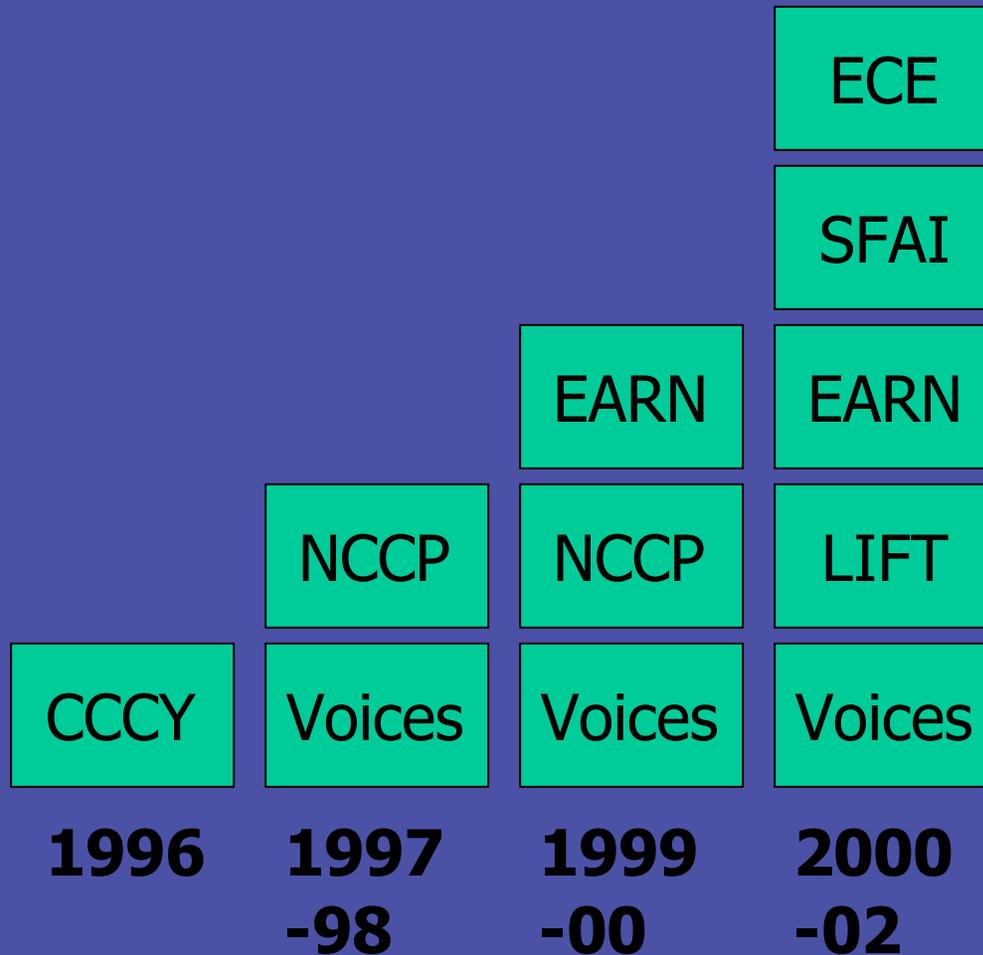
See -- www.nccic.org -- for a growing listing of public-private partnership.

**Building a Comprehensive Multi-Funded
Resource Development Strategy:
View from One State**

CT VOICES FOR CHILDREN: THE THINGS WE DO

**Policy research and analysis
Community benchmarking
Coalition development and support
Public engagement and tactical mobilizing
Strategic communications
Citizen recognition
Next generation training**

OUR NATIONAL PARTNERSHIPS FOR POLICY CHANGE



MAKING THE CASE: 02-03 POLICY AND ACTION AGENDA



MESSAGING, MOBILIZING & POLICY ENGAGEMENT

To Benefit All

Targeted At Risk

Tax & Finance	Structural Reform Spend It Smarter New Revenue Hold the Line	EITC
Family Econ Security	Paid Family Leave	Child Care Subsidies
Early Care & Early Learning	Workforce Quality Universal Pre-K	Provider Career Ladder School Readiness Priority Kids

DEFINING OUR ASSETS

Business Interest

SACIA, The Business Council of Southwestern Connecticut has identified early care and early learning as a component of Fairfield County's "achievement gap." The CT Office for Workforce Competitiveness is assisting in a UCONN study of the child care industry's contribution to CT's economic base.

Philanthropic Resources

The Graustein Memorial Fund is allocating \$17 million over 5 years to promote improvements in early care and early learning, across 46 high need communities. The Community Foundation of Greater New Haven has launched a multi-million dollar Early Childhood Initiative aimed at improving readiness for school across the region. The 26 United Ways across CT have identified early care and education as one of three key challenges facing their communities.

More Assets...

A State-Local Nonprofit Alliance

The CT Early Childhood Alliance now has over 30 participating organizations across the state and is building a strategic vision for CT's children ages birth – eight around health, safety, early learning and economic security. Over 100 people were trained at a July Advocacy Academy.

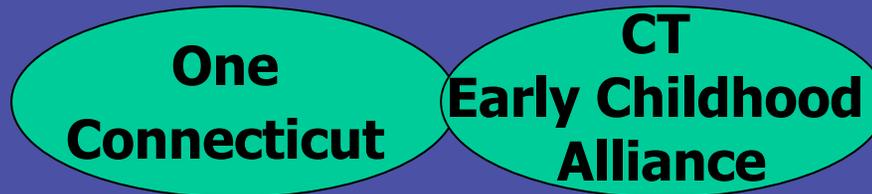
A National Marketing Connection

Led by CT Voices, Connecticut has been selected as the 8th and last state to join a select national communications collaborative on early care and education.

Research & Policy Linkages

The community of academic researchers who study early childhood development have begun to meet to identify issues as the intersect of policy and research.

Building the Base for Achieving Family Economic Security and Good Child Outcomes



Faith-Based

Civic

Seniors

State Teachers

Legislative Commissions

Legal

Nonprofit Providers

Nonprofit Advocacy

Lobbying Orgs

Philanthropy & United Ways

Higher Education

Preschool Teachers/Child
Care Providers

Community Councils

Legislative Commissions

Nonprofit Advocacy

Parent Orgs

EXPANDING THE BASE

BUSINESS

Because concern over child care impacts on employee productivity and poor educational outcomes make it harder for businesses to recruit and retain a viable workforce

MEDIA

Because it offers the opportunity to educate, engage and expand their target audience

CITIZENS

Because in the end, we all pay the bills.

EXPANDING THE BASE

PARENTS

Because they are children's first teachers and are responsible for most of the immediate costs of their children's early care and early learning

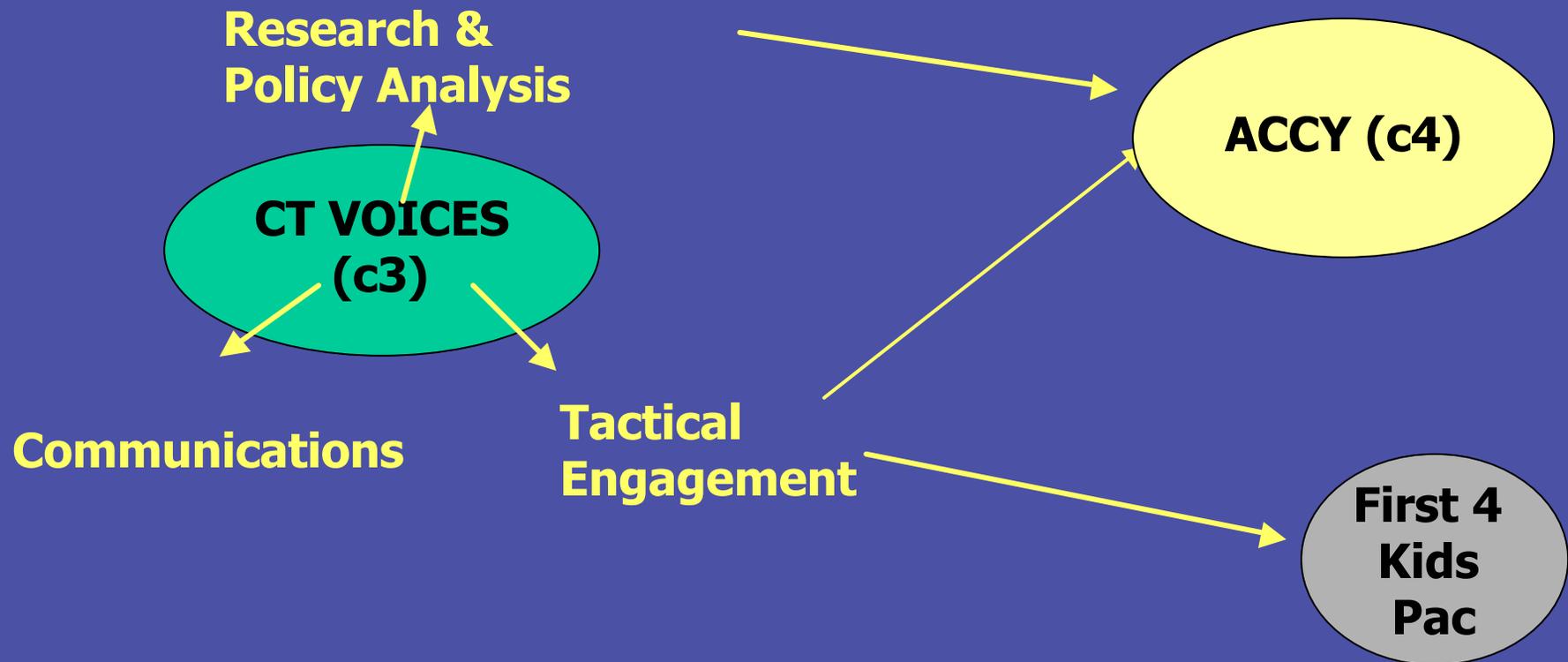
SCHOOL DISTRICTS

Because they bear the burdens of special education and remedial programs as well as ongoing instruction

STATE & LOCAL GOVERNMENT

Because it supports the \$4 billion annual costs of local K-12 education, and the costs of later social problems

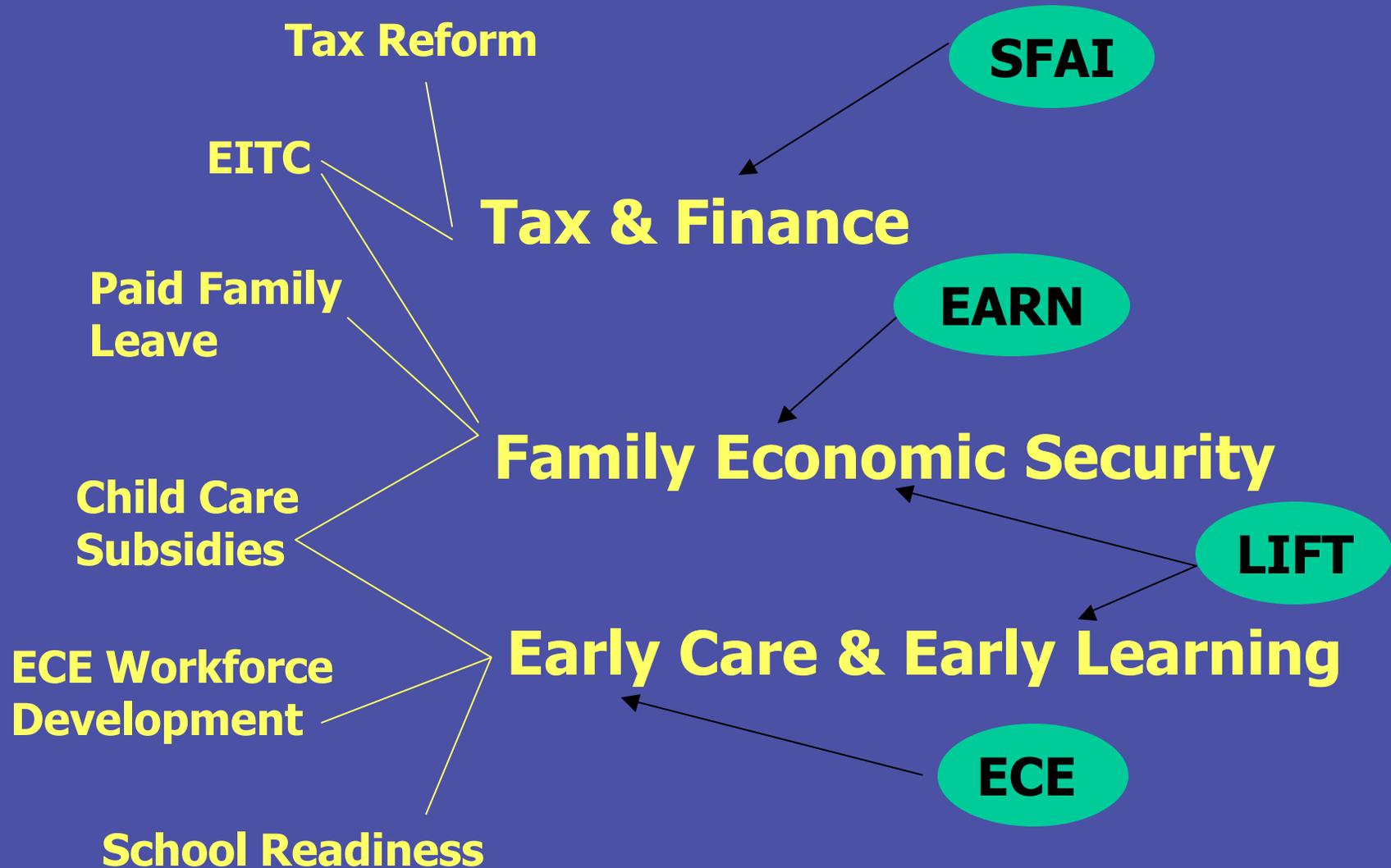
USING ALL AVAILABLE ASSETS: CT VOICES' POLICY CHANGE INFRASTRUCTURE



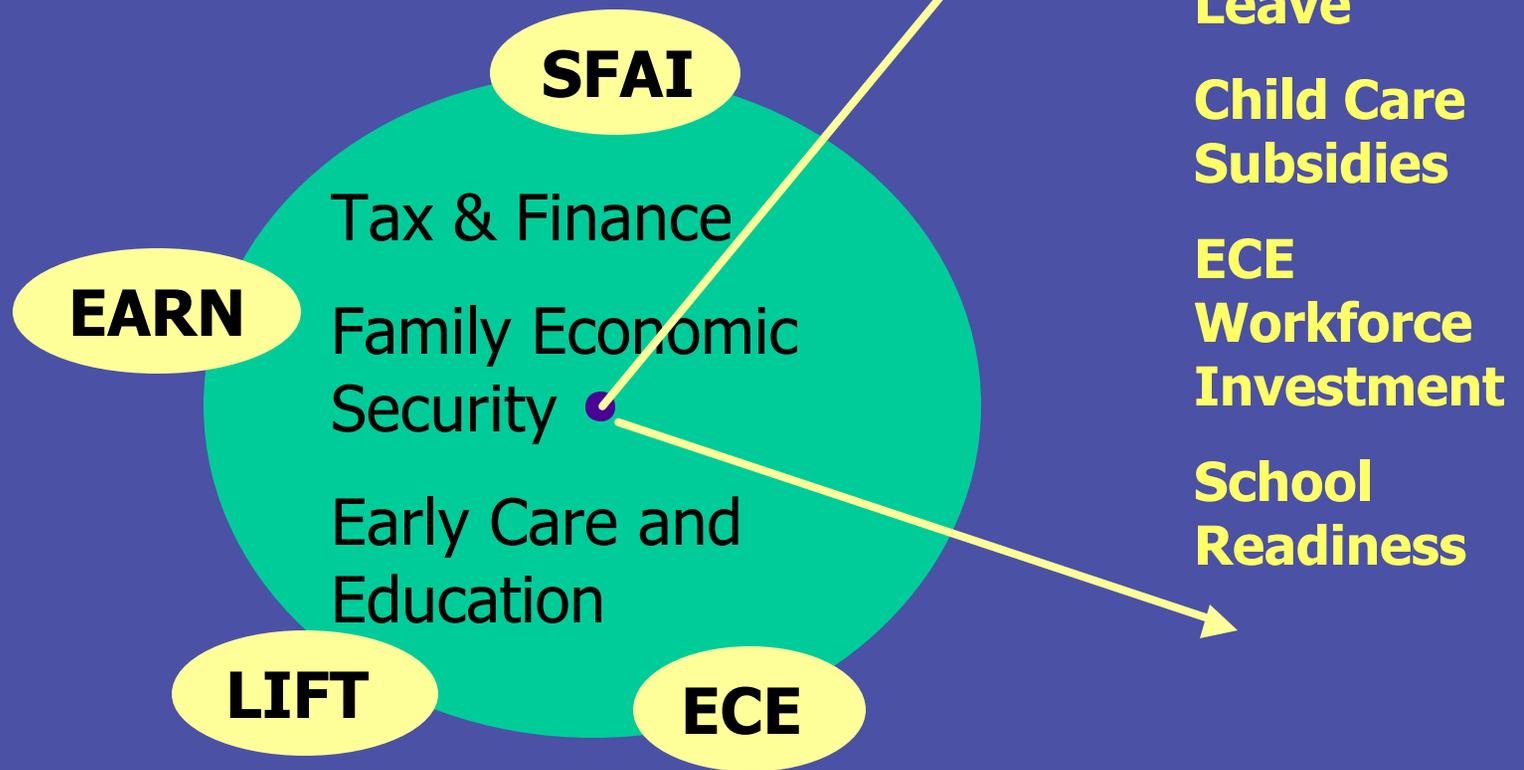
**Building a Comprehensive Multi-Funded
Resource Development Strategy:**

Our National Challenge

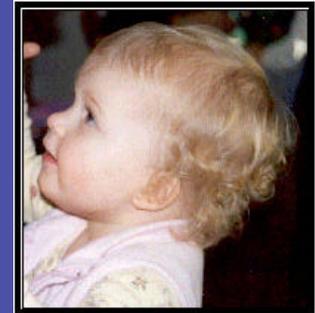
Our National Initiatives TODAY



Our Policy, Communications and Action Engagement TOMORROW?



Connecticut's *newest* future citizens and employees are just being born. Their tomorrow is in our hands, today.



Connecticut Voices for Children

A good partner for the future...