

BUSINESS AND EARLY CARE AND EDUCATION: A Review of Engagement Strategies and A Connecticut Case Example

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Business Week surprised many people last summer when it included early care and education for all children as one of its “25 Ideas for a Changing World.”² Speaking in January 2003, Roy Bostock, President of the Committee for Economic Development (CED), a 200-member organization of business CEOs and university presidents, asserted “Businesses are the number one consumers of the education system. If we are to believe all the studies that consistently show that investment in early education is so critical, then we, as business leaders, need to invest in our children.”³ This call for business involvement by CED follows the publication of its 2002 report, *Preschool for All: Investing in a Productive and Just Society*, calling for universal access to preschool education through expanded federal, state, and local funding partnerships.

As recently as May 7, 2003 Corporate Voices for Working Families and The Business Roundtable issued a joint report calling for business involvement in assuring children’s readiness for school. “High-quality early education programs for 3- and 4- year-olds help working families and employers,” said Donna Klein, President of Corporate Voices. “When employees are comfortable and confident in the quality and staff of their early care program, they are mentally engaged at the workplace and are more productive. Companies not only benefit from increased productivity, but are also more assured that the K-12 system will be successful in its mission. It’s a win/win for everyone.”⁴

“High performance companies recognize that there is no invisible wall between work life and home life. These employers see work and life as integrated and reciprocal. Success depends on strategies that enable employees to succeed in both dimensions.”

Center for Ethical
Business Cultures

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² “The Importance of Teaching Tots.” *Business Week*, August 26, 2002.

³ “Preschool for All” and other reports by the Committee for Economic Development are online at – www.ced.org

⁴ “Early Childhood Education: A Call to Action from the Business Community.” Corporate Voices for Working Families and The Business Roundtable. May 7, 2003. Online at -- www.cvworkingfamilies.org/downloads/CVWF-BRTjointStatement.doc

Several realities have converged over the past decade to prompt business attention to issues of school readiness and the early care of America's youngest children. Most children under the age of six have one or both parents in the full-time labor force. For many of these families, assuring a stable, safe, stimulating environment for their young children presents a significant challenge, in terms of access, availability and affordability. At the same time, recent research on children's early development confirms the incredible importance of these years in framing children's cognitive, language, social and emotional development. Finally, national as well as state data reveal that far too many children arrive at the kindergarten door without these critical life and learning skills and knowledge. This failure of readiness results in vast expenditures for remedial and special education, threatens high school completion, and portends continued social and economic costs for the individual and for society as a whole.⁵

Recognizing that these factors also have an impact on employer profitability in both the short and long run, business has become involved through a series of workforce supports for families with young children as well as more direct engagement in child development and school readiness policy and programs. While employers bear very little of the aggregate cost of early care and education⁶, they do make many other important contributions. These include:

- ❑ Establishing corporate collaborations to advance dependent care
- ❑ Building business-to-business mentoring relationships
- ❑ Designing and implementing large-scale media campaigns
- ❑ Providing leadership in mobilizing community efforts
- ❑ Serving as public policy analysts and advocates, and
- ❑ Engaging funding partnerships.

This report reviews and summarizes business engagement with family-work issues as well as with school readiness programs, and presents case examples for each of the six categories of involvement cited above. The report concludes with a brief review of early care and education-related business engagement in Connecticut.

Business Engagement in Family-Work Issues

While concerns over employee recruitment, retention, and productivity are long-standing human resource issues in the business environment, there is growing recognition that home and family issues must also become a part of the agendas of both individual businesses and business collectives. Charles Raymond, President of the Travelers Foundation, described this shift in a 1998 Families and Work Institute study. "For many years employees have brought work issues and problems home with them and have been told at work to keep their personal problems outside the office. Today, however,

⁵ These data are drawn from a recent report by J. Gruendel, M. Oliveira, and S. Geballe, "All Children Ready for School: The Case for Early Care and Education," CT Voices for Children. March 2003. Online at – www.ctkidslink.org

⁶ In terms of aggregate child care funding, parents contribute about 60%, government contributes about 39%, and other sources, including business and philanthropy, contribute the remaining 1%.

employers are realizing that those home issues must be dealt with to ensure the most productive workers.”^{7 8}

The *1998 Business Work-Life Study* is helpful in understanding how a large group of employers views these issues. Funded by businesses and corporate foundations, the study surveyed a sample of 880 businesses with 100 or more employees and found that 80 - 88% allowed employees to take time from work to attend school and child care functions and to return to work gradually following childbirth.

Slightly more than half of the companies (53%) provided at least some replacement pay associated with maternity leave. Half of the companies reported offering “dependent care assistance plans” to help employees pay for child care with pretax dollars; 36% provided information to assist employees to find child care in the community; 9% offered child care at or near the worksite (and 12% more were considering it); 5% provided cash vouchers or other subsidies directly to employees to assist in child care costs. Of note, only 18% of companies offering such flexible work arrangements found that the cost outweighed the benefit; 36% found them to be cost neutral, and 46% found a positive return on their investments.

Utilizing a sample of 218 businesses surveyed between May and June of 2000, Public Agenda found somewhat different views.⁹ More than six in ten employers (63%) reported that their business was “doing the best it can” to operate a family-friendly workplace. Fifty-five percent in the Public Agenda survey strongly disagreed that they had lost good employees because of their child care benefits. Conversely, 18% believed they had lost employees over these issues, and another 24% of employers only “somewhat disagreed” that employees had left because of child care benefit issues.

More recently, Hewitt Associates, a global management consulting firm, surveyed 1,020 major U.S. companies, including 85% of the FORTUNE 100 and 58% of the FORTUNE 500 companies. They found that child care assistance “remains the most prevalent work/life program provided by employers, with an impressive 91% of organizations reporting that they provide some form of child care assistance. Sick/back-up child care programs are offered by 16% of employers.”¹⁰ The 2002 Hewitt study also found that nearly three-quarters (73%) of businesses offer flexible work options, including flextime

⁷1998 Business Work-Life Study, Family and Work Institute. The Executive Summary is online at -- www.familiesandwork.org/summary/worklife.pdf. This study will be replicated in 2003.

⁸ See also the Center for Ethical Business Cultures. “Work-Life strategies, if done well, offer practical solutions to real business (and personal) problems. Business can expect improved employee loyalty and commitment, increased productivity, reduced turnover and absenteeism, and an overall lower cost of doing business. Employees can expect greater control over their lives and an improved capacity to balance commitments at work and at home. Society, as a whole, can expect stronger businesses and stronger, healthier families.” Online at -- www.cebcglobal.org

⁹ Public Agenda. Child Care: Employer’s Views. Online at -- www.publicagenda.org/specials/childcare/childcare6.htm

¹⁰ Work/Life Initiatives Hold Strong Despite Economy. Bright Horizons Solutions Online. Fall 2002. Online at -- <http://64.55.180.230/publications.cfm?pubID=110>

and part-time employment, and almost one-third offer benefits to adoptive parents, with reimbursement rates ranging from \$1,000 to \$10,000 per adoption and an average reimbursement rate of \$3,209.

Businesses also provide direct supports for child care. While nationally less than 1% of the aggregate cost of child care is borne by the business community,¹¹ there are now about 8,000 employer-supported child care centers across the nation.¹² Typically, companies provide child care spaces in high-quality centers that sometimes are located on-site, but more frequently are not. Often, businesses will also make funds available so that parents can use family care settings that provide a more intimate family-like environment.

Beyond these contributions, businesses commit their resources to support families through tax credit mechanisms. A recent report documents that 20 states across the nation have created child care tax credits that the business community can claim to offset its contribution to employee child care costs. Yet in their study, *The Little Engine That Hasn't*, the National Women's Law Center¹³ found that in some states no companies applied and that, even in the three states with greatest tax credit usage (California: 184 companies, Oregon: 21, Connecticut: 20), only a very small proportion of businesses claimed the credit. According to Deron Zeppelin, Director of Governmental Affairs for the Association of Human Resource Professionals, "the main reason companies did not apply for the credit was that they did not know about it. Governments," Zeppelin said, "do a poor job of advertising benefits like this, and most companies do not have sophisticated professionals who pay attention to such matters."¹⁴

Business Engagement in Child Development and School Readiness Issues

Reviewing the accumulating school readiness research, the Committee for Economic Development declared "Helping all children start school ready to learn is critical to their future success and to the well-being of society as a whole."¹⁵ In *Preschool for All*, CED calls for a national policy of universal preschool and asserts that business must attend to school readiness issues because children who begin behind and are behind in 3^d grade are "unlikely to graduate from high school. Poorly educated workers are increasingly unable to earn a living wage in a global marketplace where skills matter more than ever before. Society pays in many ways for failing to take advantage of the

¹¹ Mitchell, A., Stoney, L., and Dichter, H. Financing Child Care in the United States: An Expanded Catalog of Current Strategies, 2001 Edition (Kansas City, MO: The Ewing Marion Kauffman Foundation, 2001)

¹² Employer-Supported Childcare: FAQs. Work and Family Connection. Online at – www.workfamily.com/Open/FAQ_Childcare.asp

¹³ Fitzpatrick, C. and Campbell, N.D. The Little Engine That Hasn't: The Poor Performance of Employer Tax Credits for Child Care. National Women's Law Center. November 2002. Online at --

¹⁴ Rosenbaum, D. "Few Companies Found To Take Child Tax Credits." The New York Times. November 19, 2002.

¹⁵ Preschool for All: Investing in a Productive and Just Society. The Committee for Economic Development, Spring 2002. Online at – www.ced.org

potential in all of its children, from lost economic productivity and tax revenues to higher crime rates, to diminished participation in the civic and cultural life of the nation.”¹⁶

In the now widely-quoted section of its August 2002 issue, “25 Ideas for a Changing World,” *Business Week* asserts “preschool education for the poor — and perhaps for all children — is a must.”¹⁷ The article continues, “Poor children typically enter school a full year and-a-half behind their middle-class peers in language ability, studies show. So millions of kids start their lives with an educational deficit. That’s why we have to get them while they’re still tots.”

Investing in early care and education is also a highly effective means of economic development. In the March 2003 *Fed Gazette*, Art Rolnick, Senior Vice President and Director of Research, and Rob Grunewald, Regional Economic Analyst, write, ‘Early childhood development programs are rarely portrayed as economic development initiatives, and we think that is a mistake. Such programs, if they appear at all, are at the bottom of the economic development lists for state and local governments. They should be at the top. Most of the numerous projects and initiatives that state and local governments fund in the name of creating new private businesses and new jobs result in few public benefits. In contrast, studies find that well-focused investments in early childhood development yield high public as well as private returns.”¹⁸

Business Engagement Case Examples

Utilizing data available online from the National Child Care Information Center’s (NCCIC) database on public-private partnerships and from other sources, we have identified six categories of business engagement in early care and education. While not mutually exclusive, these categories include corporate collaborations to advance dependent care, business to business mentoring, large-scale media and communications initiatives, leadership in community mobilizing, public policy analysis, and funding partnerships.

Corporate Collaborations. Recognizing that on some issues companies can accomplish more by working together than by working alone, major corporations link together to provide direct services to their employees and, in so doing, to enhance the nature and quality of early care and education in their communities. Of great importance is the fact that associations of business leaders -- specifically Corporate Voices for Working Families and The Business Roundtable -- have themselves joined forces to call for business involvement in and support of a systematic investment in preschool education for all children in the nation.

¹⁶ Preschool for All. op cit. p. 1.

¹⁷ “The Importance of Teaching Tots.” *Business Week*, August 26, 2002, pp. 164-166.

¹⁸ Rolnick, A. and Grunewald, R. “Early Childhood Development: Economic Development with a High Public Return.” *Fed Gazette*, March 2003. Online at -- <http://minneapolisfed.org/pubs/fedgaz/03-03/earlychild.cfm>

Case Example 1: The American Business Collaboration (ABC). ABC is a collaboration of leading corporations in the United States that works to improve the quality and supply of dependent care programs. In a ten-year period, over 1,500 programs serving over 135,000 children have been supported with \$136,000,000 invested. The effort has developed quality curricula to train child care workers, provided direct support to programs, and addressed the needs of working families in the communities served by ABC's corporate members.

ABC also recently collaborated in publishing "Credit Where Credit is Due: Using Tax Breaks to Help Pay for Child and Dependent Care," a guide to child care credits and deductions for families.¹⁹ Funding for the report was provided by Allstate Insurance Company, Dow Jones, General Electric, IBM, Johnson & Johnson, Merck & Co., Pfizer, PricewaterhouseCoopers, Prudential Financial, Texas Instruments and Wyeth, all members of ABC.

Case Example 2: Corporate Voices for Working Families. Established very recently "to fill an important gap in the national debate about the community supports that are needed to sustain working families," Corporate Voices for Working Families currently includes as members 22 major corporations, all of which are committed to bringing "business leaders, corporate perspectives and our practical experience of work-life issues to the table with policymakers."

Corporate Voices is currently working on four issues: early learning; after-school programs; elder care; and workplace health and well-being. Strategies for engagement include acting as a "neutral and honest broker," a collaborator in partnerships and alliances, a catalyst for change through public testimony and speaking, a convener of "unlikely partners to find new solutions," and an educator of corporate partners, decision-makers, the advocacy community, the public at large, funders, and the media. On May 7th, in partnership with The Business Roundtable, Corporate Voices issued a call for business involvement in early care and education and a statement of principles to guide and direct investment.²⁰

Businesses participating on Corporate Voices' Board of Trustees and its Legislative Committee include JP Morgan Chase, Marriott International, IBM, Ceridian, Merrill Lynch, Johnson & Johnson, AOL Time Warner, CVS, American Airlines, and Eastman Kodak.

Case Example 3: The Business Roundtable. An association of CEOs committed to national public policy that promotes long-term sustainable growth, the

¹⁹ "Credit Where Credit is Due." The National Women's Law Center. 2002. Online at -- www.abcdpendentcare.com. The American Business Collaborative for Dependent Care is online at -- [/www.abcdpendentcare.com/](http://www.abcdpendentcare.com/)

²⁰ "Early Childhood Education: A Call to Action from the Business Community." Corporate Voices for Working Families and The Business Roundtable. May 7, 2003. Online at -- <http://www.cvworkingfamilies.org/downloads/CVWF-BRTjointStatement.doc>

Business Roundtable has focused considerable attention on education issues. Its Education and the Workforce Task Force “works to improve education performance and workforce competitiveness in the U.S. with an emphasis on ensuring that American high school graduates are prepared to succeed in the global economy.”²¹ In particular, this Task Force is directed at promoting “standards-based reform” related to the federal Leave No Child Behind legislation and supporting state business association efforts to improve PreK-16 education.

Case Example 4: The Committee for Economic Development. As noted earlier in this report, CED is a collaborative of 200 CEOs and university presidents founded in 1942 to “prepare the U.S. economy for a smooth transition from a wartime to a peacetime environment.” Building on six decades of corporate involvement in American public policy issues, CED promotes “policies that guarantee a vibrant U.S. economy, sound domestic policies and strong democratic institutions, an educated American work force, a reformed public education system from the early childhood years through postsecondary education, and enhanced global trade and competitiveness.”²²

In 2002, CED published *Preschool for All*, an analysis and proposal for universal access to preschool. The consortium is now engaged in a systematic public education campaign to encourage businesses and other institutions to support the universal access proposal.

Business-to-Business Mentoring. In this role, businesses that have developed successful child care and family support programs agree to act as mentors to other businesses that desire to do so.

Case Example: The Business-to-Business Mentoring Initiative on Child Care was established in 1998 through the federal Department of Labor’s Women’s Bureau. The initiative had two goals: to advance awareness among business leaders that safe and affordable child care is a concern for employee families, and to facilitate business-to-business child care mentoring relationships.

Employers who implemented a child care program volunteered to become mentors and share their knowledge and experience with others. Employers who wanted to offer their employees child care assistance but needed help getting started joined the initiative as mentees. Employers who initiated one type of child care program but were looking to expand their offerings could enroll as both mentors and mentees.

Media Campaigns. The business community as well as individual industry sectors have contributed significant expertise and other in-kind resources to create large-scale early care and education public education campaigns.

²¹ Information on The Business Roundtable’s Task Force on Education and the Workforce is accessible online at -- www.brtable.org/issue.cfm/3

²² Online at – www.ced.org

Case Example: I Am Your Child. Following the explosion of research findings on early brain development and inspired “by important work supported by the Packard Foundation and the Carnegie Corporation of New York, synthesizing an expanding body of knowledge on early social, emotional, physical, and intellectual development,”²³ actor and director Rob Reiner brought the power of the entertainment industry to the early learning table in 1997 with his *I Am Your Child* (IAYC) campaign.

The “campaign was uniquely successful in bringing early childhood issues to the forefront of public attention. IAYC worked with *Newsweek* to create the best-selling special issue, “Your Child: Birth to Three,” helped to develop two White House conferences on early brain development and child care, and created a prime-time special for ABC Television on the importance of the early years. Nearly 13 million people watched the ABC special, which was hosted by Tom Hanks and directed by Rob Reiner.”²⁴ Today, the web site for I Am Your Child, supported by the I Am Your Child Foundation, continues to provide materials and information on early childhood development and school readiness.

Leadership in Community Mobilizing. In this role, business leaders serve as catalysts and leaders in the community in which their business is located for the purpose of improving the delivery of early care and early learning programs. This role appears to be especially relevant to business engagement by small companies.

Case Example 1: Indiana Child Care Symposium Initiative. Here business, community, and child care leaders formed teams in different counties to improve early care and education. Each team had a private sector mentor to help with marketing and financing issues, and teams determined what was needed in their own county and community. Funding was generated to pay for increased services and facilities in the form of state money (committed by the Governor) and corporate sponsorships. The target population for this effort was children residing in the county served by the team.

Case Example 2 Kansas Metropolitan Council on Child Care. Launched in 1989, the Council has served as a catalyst for the development of an early learning system in Greater Kansas City. Most recently, the Metropolitan Council on Child Care conducted and published an economic impact study of the contribution of the early care industry to revenue generation and to workforce supports.²⁵

Case Example 3: Pittsburgh Early Childhood Initiative. Launched in 1996 and supported by the Heinz Endowments, this initiative “involved the business,

²³ I Am Your Child Foundation website. Online at -- <http://www.iamyourchild.org/history.html>

²⁴ *ibid*

²⁵ Investing in the Child Care Industry: An Economic Development Strategy for Kansas. Online at -- www.marc.org/mccc/

corporate, agency, and foundation sectors in an ambitious effort to expand quality early care and education programs and options for nearly 8,000 unserved children in 80 high-risk neighborhoods.” Funding was contributed by the business, governmental, and philanthropic sectors.

Public Policy Analysis and Advocacy. In this role, business leaders serve as public policy advocates for children. The most successful initiatives appear to include leadership from the corporate sector invested in the communities in which they are located, as well as from the banking industry more generally.

Case Example 1: Boston Success by Six. In this initiative, a Leadership Council including community leaders was formed through the United Way and chaired by the BankBoston Chairman and CEO. Child advocates educated the Leadership Council on children’s issues so that the Council could formulate legislative proposals. The Leadership Council’s legislative proposals resulted in a new health-care access law, an “Invest in Children” license plate (providing a new revenue source), and a home-visiting program. The target population for this initiative was families in low-income neighborhoods in Boston.²⁶

Case Example 2: Child Care Executive Partnership in Florida. This executive partnership was established to increase the availability of child care subsidies. The Governor appointed members, including some from the business sector, to manage the partnership. Each member agreed to lobby for child care and related issues at least one hour per week. Additionally, the State of Florida matches every dollar that employers put into a fund for child care in general or for their employees. The target population for this initiative was the children of employees of partnership participants.

Case Example 3: Colorado Business Commission on Child Care. In this initiative, the Governor established a commission of business and financial leaders to examine child care issues from a “business perspective.” The Commission generated proposals for financing affordable, accessible, high-quality care. One result was the creation of tax credits for families and employees with a voluntary tax check-off allowing taxpayers to donate up to \$5 of their state tax refund to a statewide child care quality improvement fund. The initiative was directed at all Florida children, with a special focus on those living in low-income communities.

Engaging Funding Partnerships. In this role, business leadership partners with other sectors to secure or increase funding for designated services for children, generally in their own business sector, their own community, or for children at risk.

Case Example 1: 1199-Employer Child Care Fund, New York City. In this initiative, leadership in the union of health care workers negotiates with

²⁶ See also, Blood, M. & Ludtke, M. Business Leaders as Legislative Advocates for Children: A Case Study from Boston. February 2000. Online at -- www.ffcd.org/blood.pdf

employers to provide services primarily to union members' children. Services include learning centers, summer camps, and teen programs. Union officials, hospital management, other employers, nonprofit organizations, and the New York City Board of Education contribute funds.

Case Example 2: Employers' Child Care Alliance, Alabama. This initiative is an alliance of Alabama employers created with the goal of providing services such as resource and referral networks, after-school and summer programs, and child care at non-standard hours. More than three-quarters of the funding is contributed by employers, with additional support provided by AmeriCorps and the National Association of Child Care Resource and Referral Agencies. The initiative is credited with improving the quality of child care for employee children and children in surrounding communities.

Case Example 3: Maryland Child Care Resource Network. In this initiative, business leadership was a key component in a child care public education and awareness effort. A collaboration of business, union, and government leaders was established as an Advisory Council to resource and referral agencies in each of Maryland's child care licensing regions. The private sector provides one-third of the funding for the network and the State of Maryland provides the balance.

The Work of Others to Promote Business and Early Childhood Linkages

Efforts to promote business engagement in early care and education have captured the interest of many who are not a part of the business community. Too numerous to detail fully here, we list several of the more important efforts, including those launched by the philanthropic community, the national nonprofit community, the federal government, and higher education.

The Philanthropic Community. The philanthropic community has made huge commitments to support various kinds of improvements in the early care and education systems and programs in various states.²⁷

Case Example 1: The BUILD Initiative. Funded by the Early Childhood Funders Group (George Gund Foundation; Harris Foundation; Ewing Marion Kauffman Foundation; McKnight Foundation; Robert R. McCormick Tribune Foundation; Schumann Foundation of New Jersey; David & Lucile Packard Foundation).

The goal of this multi-year initiative is to support state teams working on systemic enhancement of state early care and education systems. States funded in round one include Ohio, New Jersey, Minnesota, Pennsylvania, and Illinois. The

²⁷ For a complete review of national philanthropic initiatives directed at improving access to and affordability of early care and education, see "A Compendium of Multi-State Early Childhood Initiatives" by S. Floyd, C. Bruner and A. Copeman. February 2003. Compiled for the State Early Childhood Policy Technical Assistance Network (SECPTAN). For more information, email to – info@cfpciowa.org

Initiative now seeks to expand state involvement by identifying three to five additional states to include as “learning partners.” While business engagement has not been a primary target of early care systems development in this initiative, the business community is viewed as one of the “diverse stakeholder” groups that should be engaged.

Case Example 2: ECE Communications Collaborative. Funded by the A. L. Mailman Family Foundation; Institute for Civil Society; Ford Foundation; Carnegie Corporation of New York; David and Lucile Packard Foundation; Ewing Marion Kauffman Foundation; Schumann Fund for New Jersey; McCormick Tribune Foundation; Rose Community Foundation; Chambers Family Fund; Heinz Endowments. The Communications Consortium Media Center (CCMC) coordinates the Collaborative.

The project's purpose is to design and implement public education strategies that result in building public will for improving quality, access and affordability of early care and education. Participating states include Illinois, Florida, Pennsylvania, Kansas, Missouri, Connecticut, Colorado, and New Jersey. Business engagement has been an effective strategy utilized in several of the states, and the Collaborative has partnered with Corporate Voices for Working Families to leverage the current efforts of both groups.

The National Nonprofit Community. The engagement of national nonprofits has also dramatically accelerated the involvement of business in early care and education.

Case Example: United Way Success by Six. Operating in 350 communities across America, the United Way of America’s Success by Six program is “a national community-based movement of public and private partners that work together to deliver proven solutions that ensure all children ages zero to six are healthy, nurtured and ready to succeed.”

While business leaders are involved with all community United Way affiliates, in 1998, “the Bank of America Foundation made an unprecedented 5-year commitment of \$50 million to build United Way of America's capacity to expand the Success by Six early childhood network. In 2000, with the support of the Bank of America Foundation's grants, United Way leveraged more than \$16 million in additional support for Success by Six strategies and activities.”

The Federal Government. The federal government is also interested in increasing business support for early care and education and is taking active steps to do so in several departments, including the Departments of Health and Human Services, Education, and Labor.

Case Example: NCCIC Child Care Partnership Project. Through funding from the U.S. Department of Health and Human Services, the National Child Care Information Center developed a multi-year initiative to acquire and organize

information on public-private partnerships that advance quality early care and education. Called the Child Care Partnership Project, this initiative provides online case study examples, an extensive listing of reports and references, and an “Employer Toolkit Template for Engaging Business.”²⁸

Higher Education. Finally, graduate schools are focusing on the question of business engagement in early care and education. While not occurring as frequently as might be desired, some important examples are emerging.

Case Example: The Claremont Graduate School. The school held a “Stakeholders Roundtable on Bringing Business to the Table.” The Roundtable was convened in 2000 to explore how to “get business involved in working with advocates, policy makers, and providers to improve the system of child care and early education in communities across the nation.”²⁹ Participants included business representatives, national policy organizations, child care provider organizations, higher education, and representatives from the foundation and United Way sectors.

The proceedings from the roundtable, funded by the Packard Foundation, outline a series of challenges to and strategies for increasing business engagement. “Ideas for Action” included a recommendation to reconvene the Roundtable and engage labor organizations and existing business roundtables and work-life networks in a dialogue on improving early care and education

Business Engagement in Connecticut

Business “Voices” for Early Care and Education. Beginning a decade ago, leaders from Connecticut’s business community expressed strong support for improvements in early care and education. The business “voice” in 1992 was guided by the persistent and effective advocacy of People’s Bank CEO David Carson and other members of the Connecticut Commission on Children’s Business Advisory Committee. Importantly, Carson is quoted in the State of Connecticut’s 1992 state budget document:

“If Connecticut wishes to remain competitive, there is no room for our children to fail. An early childhood focus offers positive long-term results with a cost savings...The Business Advisory Committee recommends increased preschool programs for three- and four-year-olds and full-day kindergarten for all children who need optimal learning environments while their parents are working. We will stand behind these policy directions in the interest of both the family and the economy.”

²⁸ Online at -- www.nccic.org/ccpartnerships/home.htm

²⁹ Online at – Bringing Business to the Table: A Stakeholders Roundtable. Online at – www.childcareaction.org/docs/BringingBusinessstotheTable.pdf

While there was also strong leadership from the Connecticut Commission on Children and others, passage of Connecticut's 1997-98 landmark school-readiness legislation is widely credited to the involvement of CEO Carson.

Recognizing that progress had stalled in funding the state's School Readiness Program as called for in the legislation, Connecticut's business community spoke again. Concerned about well-documented achievement gaps in elementary and secondary schools, SACIA, The Business Council, released its June 2002 report, *Achievement Gaps In Our Schools: A Resource Guide*.³⁰ Recognizing a growing body of literature documenting the cost-effectiveness of early care and education, the report begins by renewing the call for attention to children's earliest development and identifies school readiness as an essential early investment:

"School readiness produces a higher quality education and greater achievement for individual students. Effective pre-school readiness programs improve total school performance, lead to broad-based achievement gains and reduce long-term remediation and special education expenses."

As a part of its ongoing advocacy for renewed emphasis on school readiness, SACIA leadership is building a coalition with several major metropolitan Chambers of Commerce to support development of a multi-year resource and financing plan.³¹ In addition, the Business Advisory Committee of the Connecticut Commission on Children recently hosted the head of the national Committee for Economic Development, Roy Bostock, who came to Connecticut to present CED's position on universal preschool programs and to call for a financing mechanism in Connecticut that can meet the early learning needs of all of the state's three- and four-year-olds. This position is supportive of a policy statement adopted by the Connecticut State Board of Education in December of 2002 calling for universal access to PreK for all of the state's three- and four-year olds, to be developed over a ten-year period.³²

Business Engagement as Economic Development. Other opportunities for business engagement also exist in Connecticut, with a focus on economic development. Three years ago, Connecticut's Governor appointed members to his Governor's Advisory Council on Economic Competitiveness and Technology with the charge to develop and implement a statewide economic development strategy based on "industry clusters." Led by Webster Bank Chairman James Smith, the work of this Council -- whose members include 45 CEOs of major state businesses as well as business associations, educational institutions, and non-profits (including Connecticut Voices for Children) -- has been widely praised. Recently, the Governor extended the terms of Council members. Several Council members have begun a conversation designed to explore

³⁰ Online at -- www.sacia.org/priorityissueachievementgaps.htm

³¹ CT Voices is an active participant in this process of coalition building.

³² See an April 17, 2003, memo from CT Commissioner of Education Theodore Sergi outlining the State Board of Education policy.

early care and education as a workforce support similar to transportation and public utilities.³³

While early care and education is not classically understood as an “economic development strategy,” Connecticut is now engaged in an analysis of the quantifiable economic impact of the child care industry. Participants in the design and support of the study include the Department of Social Services, State Department of Education, Department of Labor, Office for Workforce Competitiveness, the General Assembly’s Select Committee on Workforce Development, several Connecticut universities, and members of the Connecticut Early Childhood Alliance. Technical assistance for the study is provided by the National Child Care Information Center, through the financial support of the Department of Social Services. A retired senior business executive is also providing ongoing consultation to the working group. Funding has been secured to begin Phase I of the study of the economic impact of Connecticut’s early care and education “industry” on the state’s gross domestic product. The study will also profile the industry for the first time.³⁴ Importantly, this work is now aided by the recent report from the Minneapolis Federal Reserve calling for early care and education to be viewed as a highly cost-effective form of state economic development.

Finally, an as-yet untapped opportunity for business involvement and partnership exists in the context of workforce development through the state’s newly reconfigured Workforce Investment Boards, charged with implementing Connecticut’s plan under the federal Workforce Investment Act. These boards focus on improving employment and career opportunities for lower-income residents of the state, with a special emphasis over the past several years on adults leaving welfare for work and youth at risk (including teen parents). For women with young children in Connecticut’s Jobs First Program, a number of the Workforce Investment Boards have found that access to child care is a tremendously important workforce support, yet child care often is inadequately accessible in locations and at times that support re-entering workers. At the statewide level, this issue is recognized as a key workforce support challenge as well by the Connecticut Office for Workforce Competitiveness and the Connecticut Employment and Training Commission.

Business Engagement From a Philanthropic Perspective. Connecticut business also plays a role in early care and education through its participation on non-profit boards of organizations that fund, support or provide direct programs for young children. In this context, the United Way of Connecticut and its affiliate chapters have identified early care and education as one of the top two issues facing the state’s communities and families, and the United Way has signed on as a partner in the September launch of the State of Connecticut’s emerging policy of universal access to PreK.³⁵ Over the

³³ For more information on the Governor’s Council on Economic Competitiveness and Technology, contact William Kaufmann, Chairman, CT Economic Resource Center. Online at – www.cerc.com

³⁴ The study, to be conducted in two phases, is estimated by the CT Center for Economic Analysis to cost between \$45,000 and \$60,000. An initial funding commitment of \$20,000 has been secured to date.

³⁵ The universal access to PreK launch will occur at a forum entitled “Quality PreK: Closing the Achievement Gap.” For more information, contact Associate Commissioner George Coleman – george.coleman@po.state.ct.us -- or Janice Gruendel – JM Rab@aol.com

summer of 2003, Connecticut Voices for Children will be working with United Way chapters to consolidate information on early care and education programs supported by each local board. As a part of this data project, we will also seek to understand how business partners on each board view the issue.³⁶

Getting to the Bottom Line

At both the national and state levels, there is keen interest in expanding the involvement of the business community in policies and programs that assist employees with young children, support communities, and prepare children for school success. On the business side, there is growing recognition that failure to assist families in work-family issues impacts on employee performance. There is also strong awareness that children who enter kindergarten without appropriate developmental “preparation” are demonstrably less likely to succeed throughout their school careers. The long-term human and economic consequences of such educational failure threaten the ability of the nation – and its business sector – to compete in the global marketplace. Finally, the business community has been encouraged to act by ever-increasing studies showing a sizable short- and long-term return on investment for every dollar expended on quality early care and education services and supports.

The bottom line?

It is in the best interest of everyone for business to continue to expand its evolving roles in early care and education -- as public policy analyst and advocate, strategic communicator, business mentor, problem solver and, to the extent possible, investor in innovation, systems improvement, research and evaluation. We need to remember, however, that “business” is not a monolithic institution. Rather, early care and education business engagement will reflect industry type, size, business goals, geography, and the view of its employees and leadership about its “place in the community.”

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³⁶ For more information, contact Janice Gruendel, Co-President, CT Voices for Children – JMRab@aol.com -- or Sherbie Worthen, VP, United Way of CT -- Sherbie@ctunitedway.org