The Importance and Cost of High-Quality ECE

Presentation to

Boosting Alaska's Economy: A Summit on the Economic Impact of Early Care & Learning

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We Would Scream If We Lost 1/3 of this….
So Why Are We Willing to Lose 1/3 of this?
The Rate of Return is Highest Earliest

Rate of Return to Human Capital Investment at Different Ages

- Programs targeted to the earliest years
- Preschool programs
- Schooling
- Job-Training

AGE
0 0-3 4-5 School 18 Post-School

Source: Nobel Laureate Dr. James Heckman, 2013
Why Care About Quality?

Without equal opportunity, some children won’t thrive.

School “unreadiness” – the most critical effect of child poverty.

- 53% of preschool-age children did not attend preschool between 2008 and 2010.

Without high-quality early childhood education, a vulnerable child is:

- 25% more likely to drop out of school
- 40% more likely to become a teen parent
- 50% more likely to be placed in special education
- 60% more likely never to attend college
- 70% more likely to be arrested for a violent crime

35% - 40% of American children are not prepared for kindergarten.

Source: Gr8by8!, 2015
## Why Care About Quality?

**CHILDREN WHO RECEIVE HIGH QUALITY EARLY EDUCATION ARE**

<table>
<thead>
<tr>
<th>More likely to</th>
<th>Less likely to</th>
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<tbody>
<tr>
<td>Show improved reading</td>
<td>Drop out of school</td>
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<tr>
<td>Show improved math</td>
<td>Repeat grades</td>
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<tr>
<td>Stay in school longer</td>
<td>Be placed in special ed</td>
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<tr>
<td>Graduate from high school</td>
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<tr>
<td>Attend a four-year college</td>
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**AND BY AGE 40, THEY ARE**

- 24% more likely to own a home
- 18% more likely to be employed
- 53% less likely to have multiple arrests
- More likely to make higher earnings

Source: CFPB, 2015
ENGLAND - EPPSE longitudinal study - 3000+ children

Quality and Duration matter

months of developmental advantage on literacy – 5 year olds

Source: Melhuish, 2015
Policy Impact in the UK

- **2004** - Free ECEC place from 3 years – 15 hours/week
- **2013** - Free ECEC place from 2 years – 15 hours/week
  (40% most deprived)
- **2016** - 15 hours/week increases to 30 hours/week
- Maternity leave increased to 1 year
- New Early Years curriculum
- New training programs for EY staff
- Acceptance that EY is part of state responsibilities
What is Quality Care?

- It’s a bit like some other things—you know it when you see it.

- Quality care comes from…..
  - Highly skilled practitioners supported by coaches and leaders.
  - Providers that have low-staff turnover because they invest in their practitioners via salary, benefits and training.
  - Providers and practitioners delivering age-appropriate curricula.
  - Giving children a stimulating and interactive environment.
Quality Care Costs More in Alaska

Higher-Quality Child Care Costs More

- Basic-Quality Care: $740
- High-Quality Care: $970

Additional costs:
- Highly Skilled Providers
- Lower Staff Turnover
- Staff Training
- Age-Appropriate Curricula

Approx. $230 more per child, per month
Quality Care Costs More—So What?

- It’s time to think outside the box and long term.
  - In Utah, a directed program provide high-quality care to 595 low-income children who would not have gone to pre-school.
  - The program reduced the number of incoming kindergartners requiring special education services from 18 percent to less than 1 percent.
  - On average, the State of Utah is saving $2,600 per child per year.
  - The cost of running the program in the first year was $773,000 and the savings are running at over $250,000 per year.
  - The State of Utah will double it’s money in avoid costs before the first cohort leaves elementary school and the expectation in the long run is for this group alone to save $1M in school costs by the time they graduate.
  - Cohort 3 entered pre-school this fall.

Source: United Way of Salt Lake, 2015