

# High-Quality Early Learning & Care: Understanding the Proven Benefits & Need for Investment



Economic development starts with early childhood development—and the best investments ensure all children who need it have access to high-quality early learning and care opportunities. Evidence shows that increased access to affordable, high-quality early childhood programs result in short- and long-term economic benefits for individuals and society. Investing in child care and early learning is a solution that creates upward mobility by ensuring all children have the opportunity to build foundations for success in school and life, while allowing parents to work or attend school and pursue greater economic security.

Unfortunately, the high cost of quality care and the limited supply across the country have created insurmountable challenges for too many families.

Now is the time to build an early learning system for children from birth through age five that ensures every family who needs it can find and afford the care options that work for them. Consider the following:

## Preparing Children for a Lifetime of Success

Research shows both short- and long-term benefits for children who attend high-quality programs, including lasting gains in both IQ and social-emotional skills. These gains prepare individuals to do well in school, earn higher wages as adults, live healthier lives, avoid incarceration, raise stronger families, and contribute to society.

### BRAIN DEVELOPMENT

A vast majority of a child's brain development occurs before ever setting foot in a kindergarten classroom.

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**1 million**

In fact, during the first few years of life, more than **1 million new neural connections** form every second.

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Because children are born learning, their interactions and their experiences, as well as their environment, have a defining impact on their brain development. Healthy brain architecture depends on a sturdy foundation built by appropriate input from a child's senses and stable, responsive relationships with caring adults.

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Since a child's experiences and environments contribute to the way a baby's brain circuits organize and reorganize themselves, [exposure to a variety of positive experiences](#), such as talking, reading, singing, and playing not only helps babies learn the language of their culture, but also builds a foundation for developing the attention, cognition, memory, social-emotional, language and literacy, and sensory motor skills that will help them reach their potential later on. High-quality child care and preschool programs provide a continuation of the reliable, nurturing environment that most children experience at home while their parents work or attend school, offering rich "serve and return" interactions with early educators that maintain their healthy development.

Meanwhile, prolonged stress during childhood [is shown to disrupt](#) healthy brain development, and subsequent physical, mental, and emotional health may be impaired. Children living in poverty are [more than twice as likely](#) as their more affluent peers to have recurring or sustained exposure to potentially traumatic events that can have negative, lasting effects on their brain development and long-term health and well-being. Prevention and mitigation through high-quality early learning and care provides the support children need to build a foundation for a healthy and productive future. Supportive, responsive relationships with caring adults as early in life as possible can prevent or reverse the damaging effects of toxic stress in children.

### **SCHOOL READINESS AND CLOSING THE OPPORTUNITY GAP**

Kindergarten readiness, a comprehensive measure of a child's development and readiness to learn, is a critical benchmark on the path to success for all children. Preparing a child for kindergarten requires a focus on five areas of development that begin at birth and are influenced by quality early experiences: physical well-being and motor development; social and emotional development, cognitive skills, language and developing literacy, and the ability to concentrate and follow directions.



When a young child enters kindergarten ready for school, [there is an 82% chance](#) that child will master basic skills by age 11, compared with a 45% chance for children who are not school ready.

High-quality early learning and care programs lay the foundation for school readiness by building these cognitive and character skills that children need to do well in school and in life, including attentiveness, persistence, impulse control and sociability.

However, the sad truth is that family income in the United States has a dramatic effect on early childhood development and subsequent school achievement. In fact, [by the age of four](#), an 18-month gap is apparent between a child living in poverty and her more affluent peers. That gap is still present at the age of 10 and continues throughout high school. Once this gap opens, it is difficult and expensive to close. The solution is through access to quality early childhood programs that are proven to prevent and close the achievement- and learning-opportunity gaps across the various socioeconomic positions. A [wide body of research](#) shows that quality early childhood education can bring disadvantaged children to parity by kindergarten, reducing children's timidity, improving attentiveness and IQ scores by up to 10 points, reducing the percentage of children repeating a grade, and lowering the rate of special education placement by 10%.

## LIFELONG GAINS AND RETURN ON INVESTMENT

High-quality early childhood education and care is an investment that creates upward mobility for a child through increased achievement and gains for society in higher productivity and reduced social costs. The positive effects of high-quality early learning and care [are evident](#) even 30 years in the future, as children go on to earn higher wages, live healthier lives, avoid incarceration, raise stronger families, and contribute to society.

Research from Nobel Prize-winning economist James Heckman [demonstrates](#) that every dollar invested in comprehensive, high-quality early learning and care for disadvantaged children from birth through age five provides a 13% return on investment to society. Unfortunately, children from lower-income families are least likely to have access to high-quality programs due to the high cost and limited supply. Additionally, research shows that the benefits of high-quality preschool extend to the children of those who participate. [Analysis from Professor Heckman](#) finds that, years later, adults who participated in the Perry Preschool Program were more stably married, that their children were less likely to be suspended from school, and more likely to graduate from high school and be employed. The value of ensuring all families who need it can find and afford high-quality child care far outweighs the cost—and the more we invest in quality, the more we gain in quality outcomes that strengthen families, children, our workforce, and our nation.

## IMPORTANCE OF QUALITY

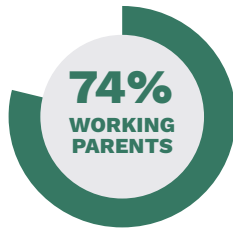
Although all children benefit from high-quality care, research shows that low-income children can be harmed by low-quality care. In Gender Differences in the Benefits of an Influential Early Childhood Program, [Heckman found](#) that children in high-quality settings had significantly better life outcomes than those who received lower-quality care. However, low-income males who were in low-quality settings experienced reduced health outcomes and earned lower wages later in life than those who attended quality programs or were able to stay home with a parent or family member. What's more, low-quality child care has the potential to exacerbate the adversity and sustained toxic stress children face that are often associated with living in poverty. The amount of time children spend in low-quality care arrangements [is related to](#) elevated levels of externalizing behavior problems. Young children—particularly boys—are susceptible to the effects of low-quality care; therefore, early childhood programs must be of higher quality.

## Supporting Working Families

In addition to the proven benefits of early childhood education for children, access to affordable, reliable, and high-quality early learning child care opportunities provides working parents with better job stability and overall economic security. In 1970, [48% of children](#) had a mother who stayed at home. By 2012, that number had dropped to just 28%. Today, 67% of children under the age of 6 in the United States [have all available parents](#) in the workforce, with almost 11 million American young children in nonparental care for an average of 33 hours a week.

Research shows that reliable [access to early learning and child care](#) can generate an additional \$79,000 in lifetime earnings for mothers. What's more, [data shows](#) that single mothers who receive assistance for child care payments are "nearly 40% more likely to maintain employment over two years" than those who do not. Data from the Department of Health and Human Services suggests that if funding for the Child Care and Development Fund (CCDF) were tripled, approximately 652,000 women with young children would be newly employed.

However, without access to early learning and care options, parents tend to miss work, lowering household incomes and potentially leading to job loss.



**74% of working parents report their jobs have been affected by child care problems: falling behind on work, missing work, and losing pay because of absences.**

Many parents are unable to enter or return to the workforce at all, due to a lack of affordable, reliable care for their children. Among nonworking poor adults with young children, [a full 70%](#) cite “taking care of home/family” as the reason they’re not in the workforce.

## Unmet Need

### HIGH COST

Child care and early learning remains one of the biggest expenses working families face, with prices increasing by 25% in the last decade. [In 2018](#), the average annual cost of child care was nearly \$10,00. This means that on average, two-income families paid 11% of their income for child care, and in single-parent households, 36% of parent income goes to child care. Additionally, in 49 states and the District of Columbia, the cost of child care for two children exceeds average mortgage costs. In 30 states and the District of Columbia, one year of center-based care for an infant is more expensive than a year at a four-year public college. Meanwhile, the years when parents have children from birth through age five is often when they earn the least in their lifetimes. [A recent study](#) found that 63% of full-time working parents would have a hard time paying for market-price full-time care. For low-income parents, that percentage balloons to 95%. According to an Economic Policy Institute (EPI) survey, parents currently spend about \$42 billion on early care and education. Current public spending is about \$34 billion.

### LIMITED SUPPLY

Because the population served by child care and early learning programs is varied with social, geographic, cultural, and work-related differences, the services available must come in diverse shapes, sizes, and designs to meet the varying needs of the children and families who rely on care. Unfortunately, the supply of quality child care has not kept up with the significant rise in demand over the years. [More than half of Americans](#) live in child care deserts, with 3 or more children for every 1 licensed child care space. Families in rural areas face the greatest challenges in finding licensed child care with 60% of rural communities lacking enough child care. Shortages persist in suburban and urban communities with 45% of suburban communities and 56% of urban communities being considered child care deserts.

## ECONOMIC IMPACT

Working families' inability to find and afford quality child care significantly impacts our economy as a whole.

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**\$4.4B**

A lack of child care **causes businesses to lose** an estimated **\$4.4 billion annually due to employee absenteeism.**

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On a broader scale, the states of Georgia, Indiana, Louisiana, Maryland, and Washington each found a loss of over \$1 billion annually in economic activity losses related to breakdowns in child care. [Building on this work](#), the U.S. Chamber of Commerce Foundation partnered with the business communities in Idaho, Iowa, Mississippi, and Pennsylvania and their early education partners to understand how much breakdowns in child care cost each state. The amounts ranged from \$479 million in Idaho to \$3.47 billion in Pennsylvania based on factors like employee absences and turnover and postponing education or training opportunities due to lack of child care.

## SUPPORT THE EARLY EDUCATION WORKFORCE

Well-qualified early childhood educators are a vital component to providing high-quality early learning and care opportunities for children from birth through age five. Education and training, as well as ongoing professional development, are key to an educator's success, and as such they are increasingly required, but these requirements come with little financial incentive or support. Additionally, the labor-intensive nature of caring for infants, toddlers, and preschoolers means that quality care costs more than education for older children. With so many fixed costs and to avoid compromising quality by reducing the number of staff, programs may reduce the cost they can control, compensation, to make tuition "affordable."

Prior to the COVID-19 pandemic, there were 1.1 million people employed in the child care sector, with a median annual income of only \$24,230, around \$11.65 per hour. An estimated 160,000 openings for child care workers is projected each year over the next decade due to retirements or changing occupations, creating significant shortages in an industry that supports the workforce of all other industries.