

Welcome!

to our conversation on:

EARLY CHILDHOOD EDUCATION: WHY IT MATTERS & WHAT YOU CAN DO



What is your favorite childhood book?

Share it in the chat or Reflect on your own



TONIGHT'S CONVERSATION IS BROUGHT TO YOU BY:



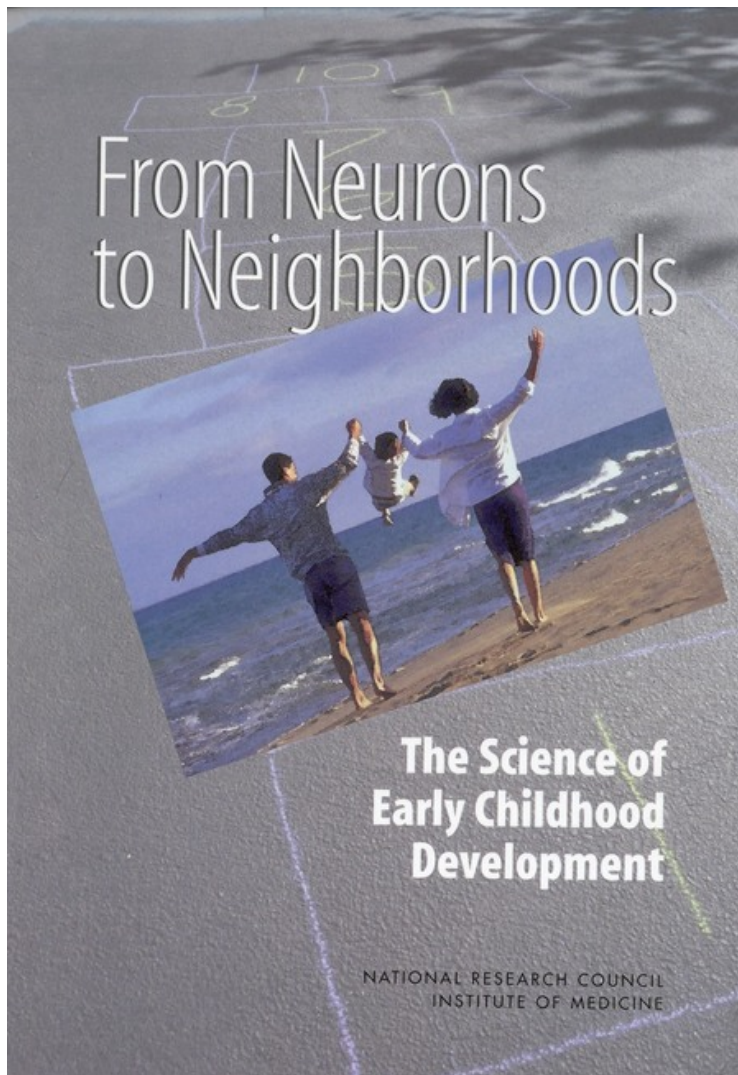
Richmond's child care crisis

ELLIOT HASPEL

RVA ENGAGE – CIVIC ACTION SERIES

MARCH 23, 2022

A solid orange horizontal bar at the bottom of the slide.



(Released October of 2000)

Table 2. Estimated impact of Quebec’s low-fee universal childcare program on federal and provincial governments’ revenue and expenditure in 2008 (millions of dollars)

Impact on:	Level of government		
	Federal	Provincial	Total
Government revenue	+\$673M	+\$1,478M	+\$2,151M
Government expenditure	\$0M	-\$1,232M	-\$1,232M
Fiscal balance	+\$673M	+\$246M	+\$919M 

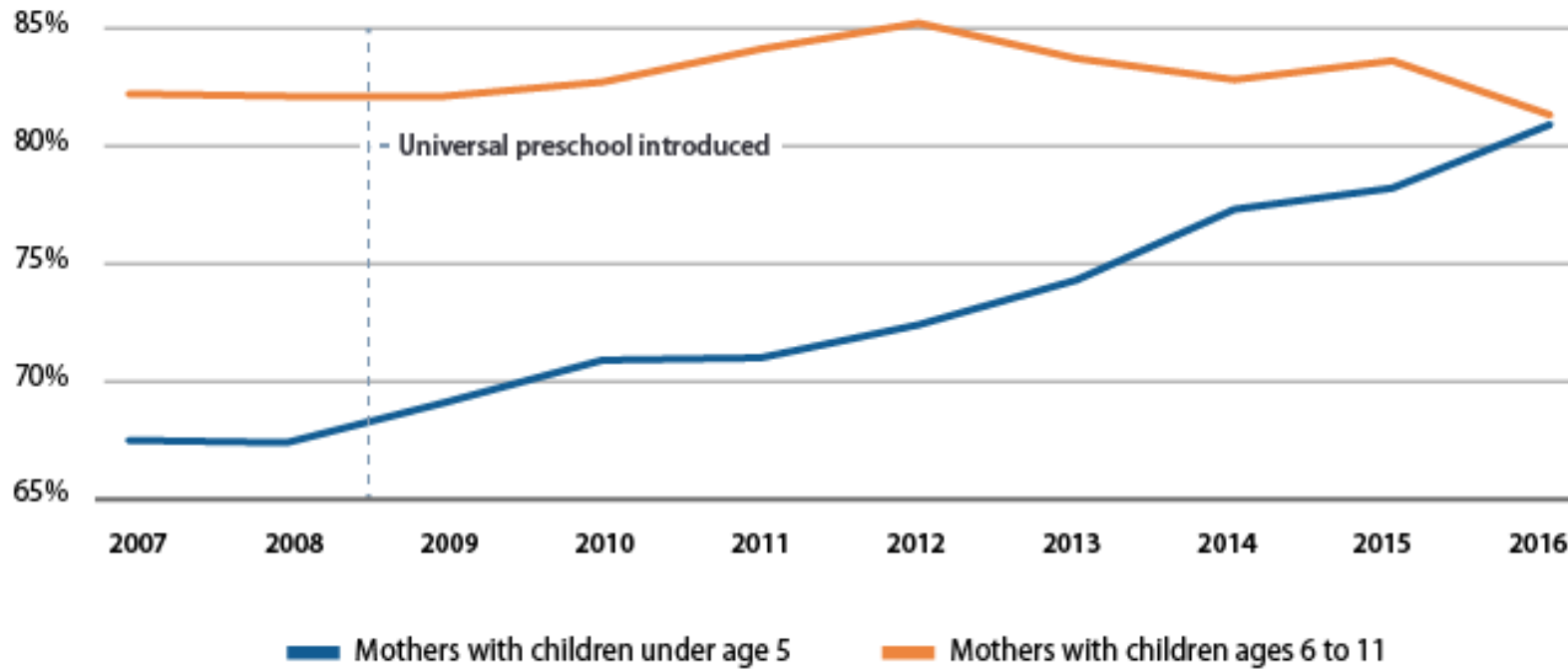
Notes: (1) The “provincial” level of government here includes the local level. (2) The increase in revenue excludes increases in contributions to social insurance plans (such as CPP/RRQ, EI, etc.), because the latter are deemed to be balanced by increases in expenditure of similar magnitude in the long run. But it includes payroll taxes unrelated to social insurance.

Source: Fortin et al. (2013, Tables 5 and 7).

FIGURE 3

Labor force participation of Washington, D.C., mothers with young children now matches that of Washington, D.C., mothers with school-age children

Difference-in-differences by age of child



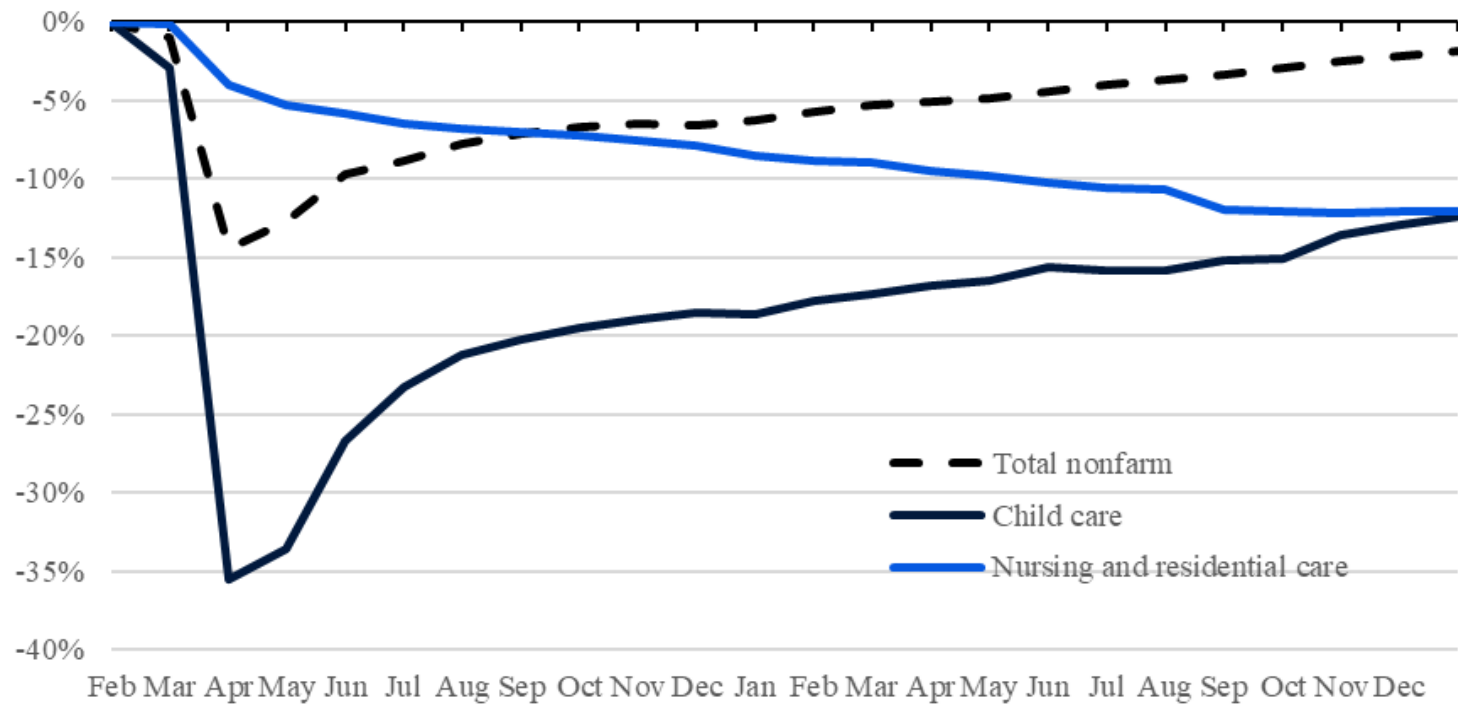
Source: Author's analysis of Integrated Public Use Microdata Series American Community Survey data. See Steven Ruggles and others, "Integrated Public Use Microdata Series, U.S. Census Data for Social, Economic, and Health Research, American Community Survey: 5-year estimates" (Minneapolis: Minnesota Population Center at the University of Minnesota), available at <https://usa.ipums.org/usa/> (last accessed August 2018).



The current crisis, pt. 1 - staffing

The care economy is behind in the recovery

Percent change in employment

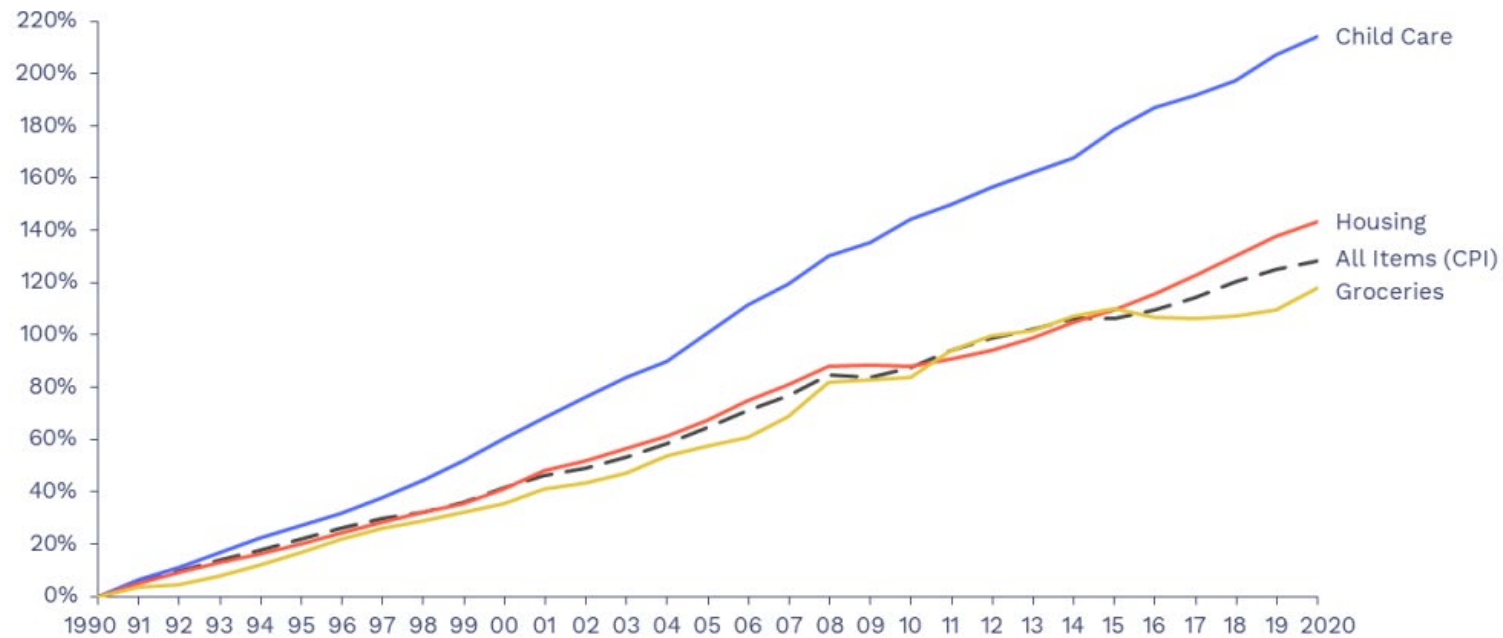


Source: BLS, CEA

The current crisis, pt. 2 - costs

Since 1990, Growth in Child Care Costs Has Considerably Outpaced Other Family Expenses

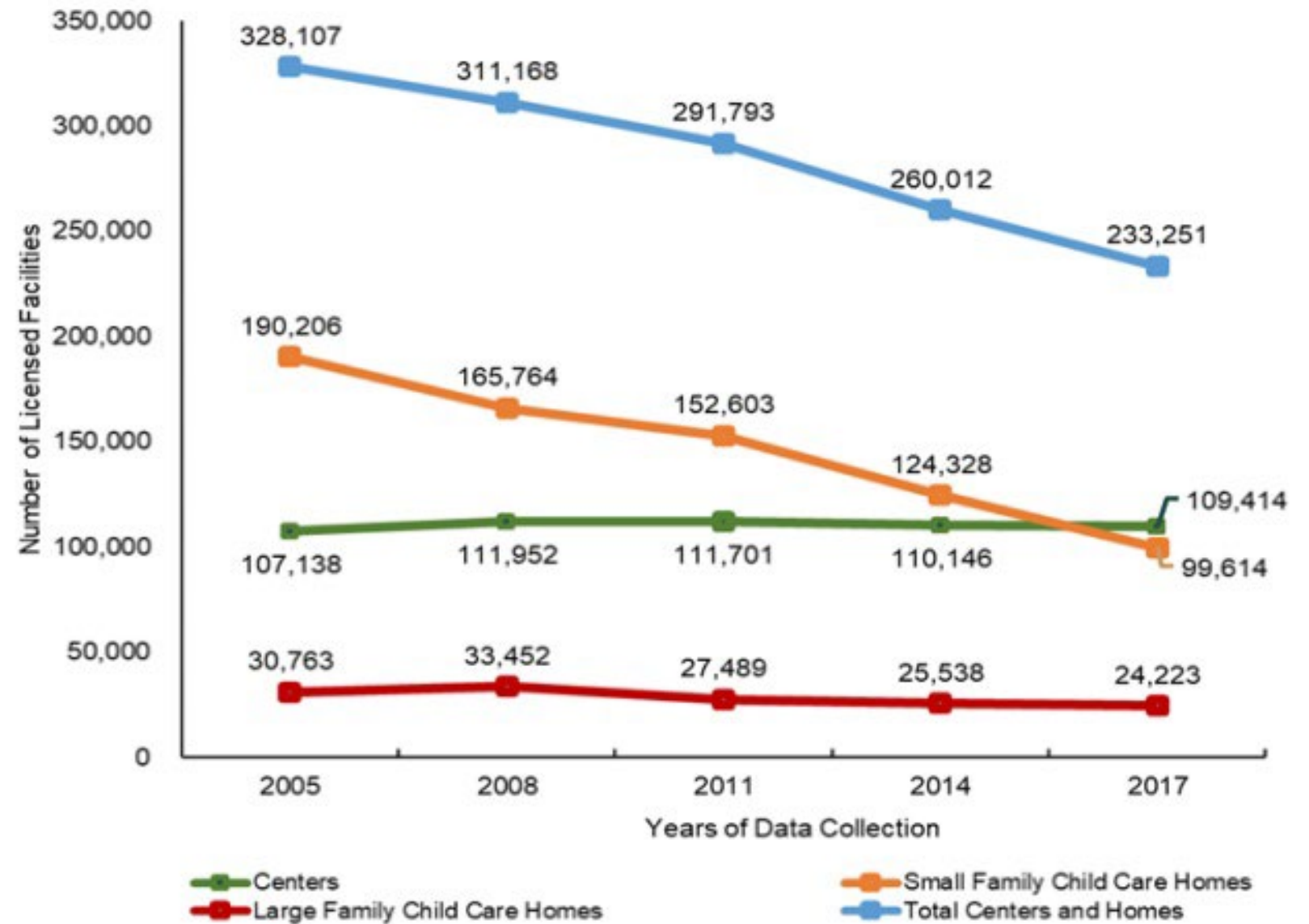
Total Price Increase Over Time



Source: Bureau of Labor Statistics Consumer Expenditure Survey

The current crisis, pt. 3 - supply

Figure 1. Number of Licensed Child Care Facilities, 2005–2017



Source: National Center on Early Childhood Quality Assurance. (2019). Analysis of responses to the National Association for Regulatory Administration (NARA) Child Care Licensing Programs and Policies Surveys from the 2005, 2008, 2011, 2014, and 2017 Child Care Licensing Studies. Unpublished data.

Richmond reflects the nation

NEWS > LOCAL NEWS

There's a big problem with post-pandemic child care: 'Worst it's ever been'

PROBLEM SOLVERS > PROBLEM SOLVERS INVESTIGATIONS



Parents scramble as staffing shortages force daycares to scale back: 'It's an essential industry'

BUSINESS

'They're not showing up': Central Virginia daycares struggle to staff centers, turning parents away

by: [Sabrina Shuttters](#)

Posted: Jun 2, 2021 / 03:48 PM EDT

Updated: Jun 2, 2021 / 05:41 PM EDT

Why?



U.S. DEPARTMENT OF THE TREASURY
**THE ECONOMICS
OF CHILD CARE SUPPLY
IN THE UNITED STATES**

So what can states & localities do?

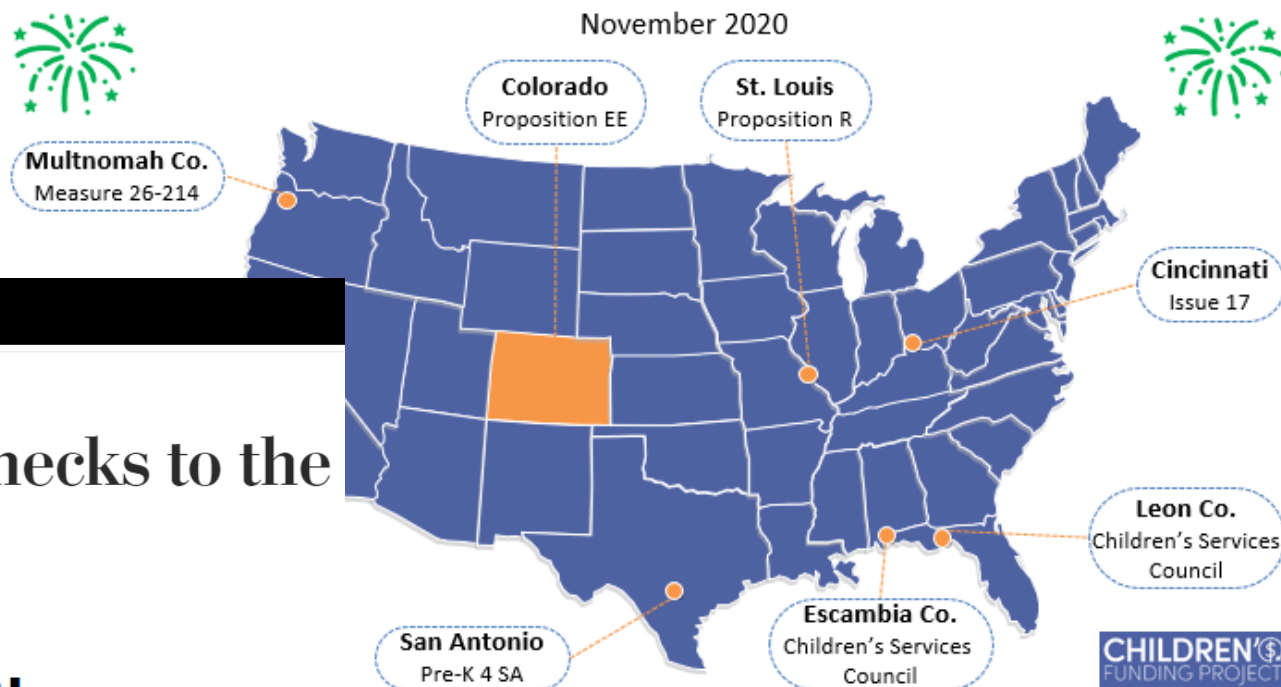
- **Permanent, robust public funding!**
- **Fund subsidy at the true cost of quality**
- **Wage scales for staff**
- **Set “north star” goals – target affordability, access, quality; cost it out**
- **Strong local infrastructure & innovation; states & localities as laboratories**
- **Emphasize both the economic and human benefits**

The Exact Solution Matters Less Than Having A Real Solution!

States & localities matter!

Successful Children's Ballot Measures

November 2020



NEW-MEXICO

New Mexico expands subsidy eligibility, now gives most funding to child care of any state

Cedar Attanasio Associated Press/Report for America
Published 1:47 p.m. MT Jul. 1, 2021 | Updated 1:51 p.m. MT Jul. 1, 2021



D.C. Politics

D.C. government will send \$10,000 checks to the city's day-care workers

NEWS

Illinois to offer child care for \$1 a month, beginning July 1st



Child Care and Maternal Labor Force Participation in the Time of COVID

Kartik Athreya

Executive Vice President and Director of Research

March 23, 2022

The views and opinions expressed are those of the presenter. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.

COVID reduced the efficient delivery of childcare

- Because it is *labor intensive*, childcare remains costly to *outsource*
- K-12 schools shut down in Virginia on March 24, 2020
- Many who left the labor force were mothers pushed back into *one-on-one* caregiving. But it's even costlier to *insource*!
- January 2021, around 10 million mothers with school-age children in the U.S. were not actively working

Children per staff member, by child age



Source: Virginia DSS, Standards for Licensed Child Day Centers

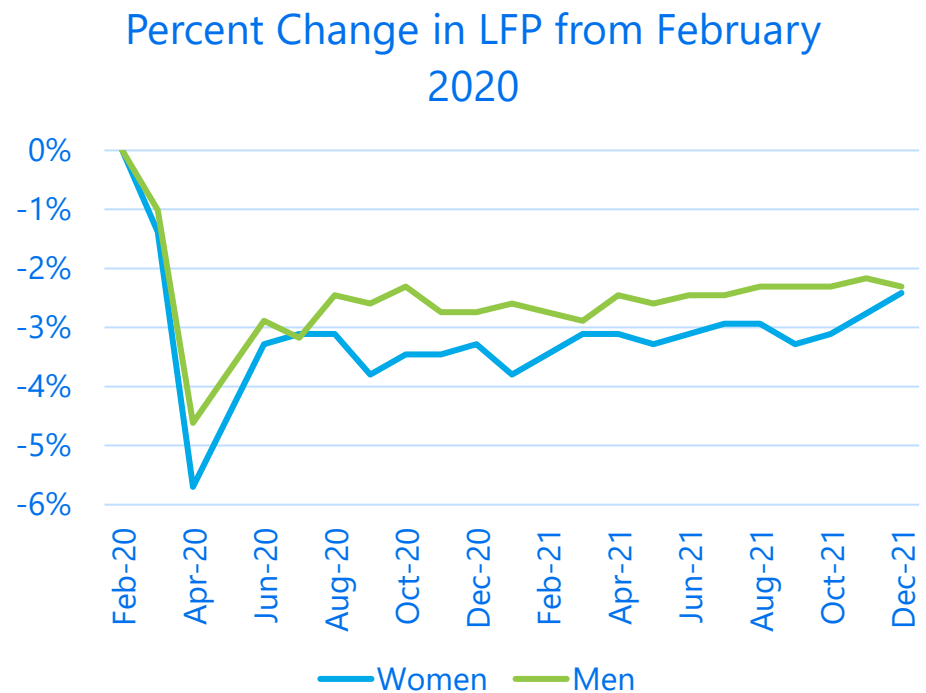
Childcare policy is *Macroeconomic* Policy

- Time use data suggest that time spent on daily household work, to include childcare, is large. (1/3rd or more)
- What economists call “Home Production” has long been a huge part of value produced in society (perhaps 50% the size of GDP)
- Policy affecting paid work influences home work decisions--EITC, progressive taxation, etc.
- Policy affecting home work influences paid work decisions—childcare especially, but also K-12 operations



COVID hit our ability to work—and hit women harder.

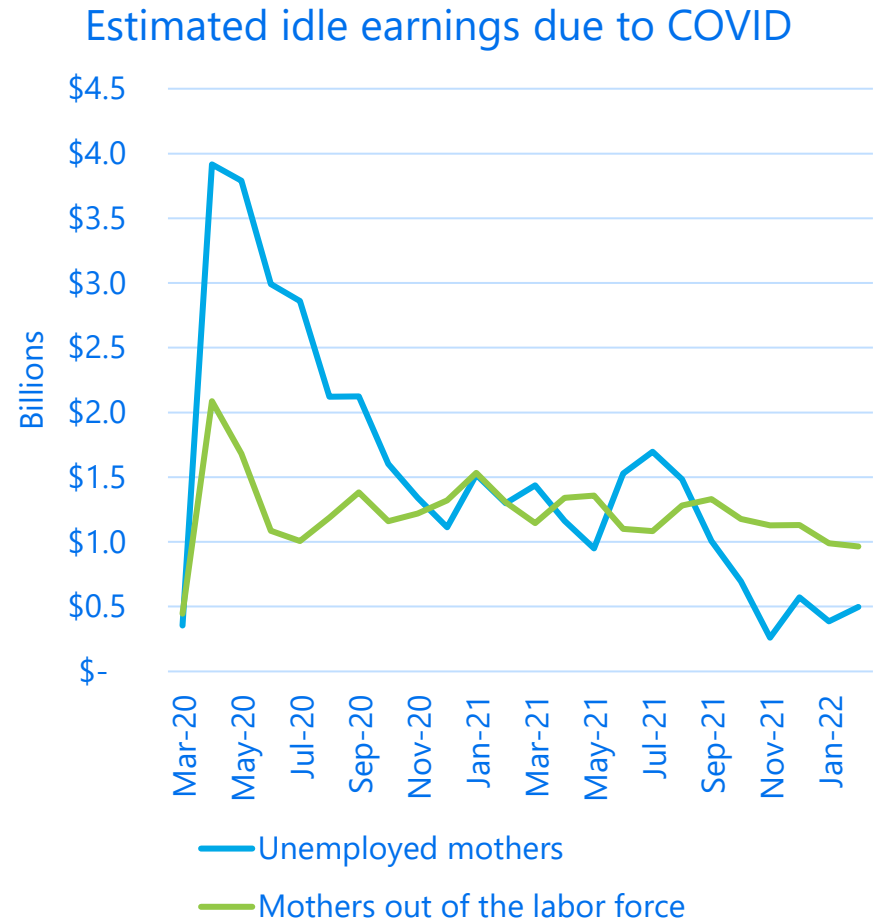
- Many women worked in essential sectors and sectors reliant on in-person interaction
- Social norms around gender roles associated with household production also likely affect women's paid work decisions



Source: Bureau of Labor Statistics

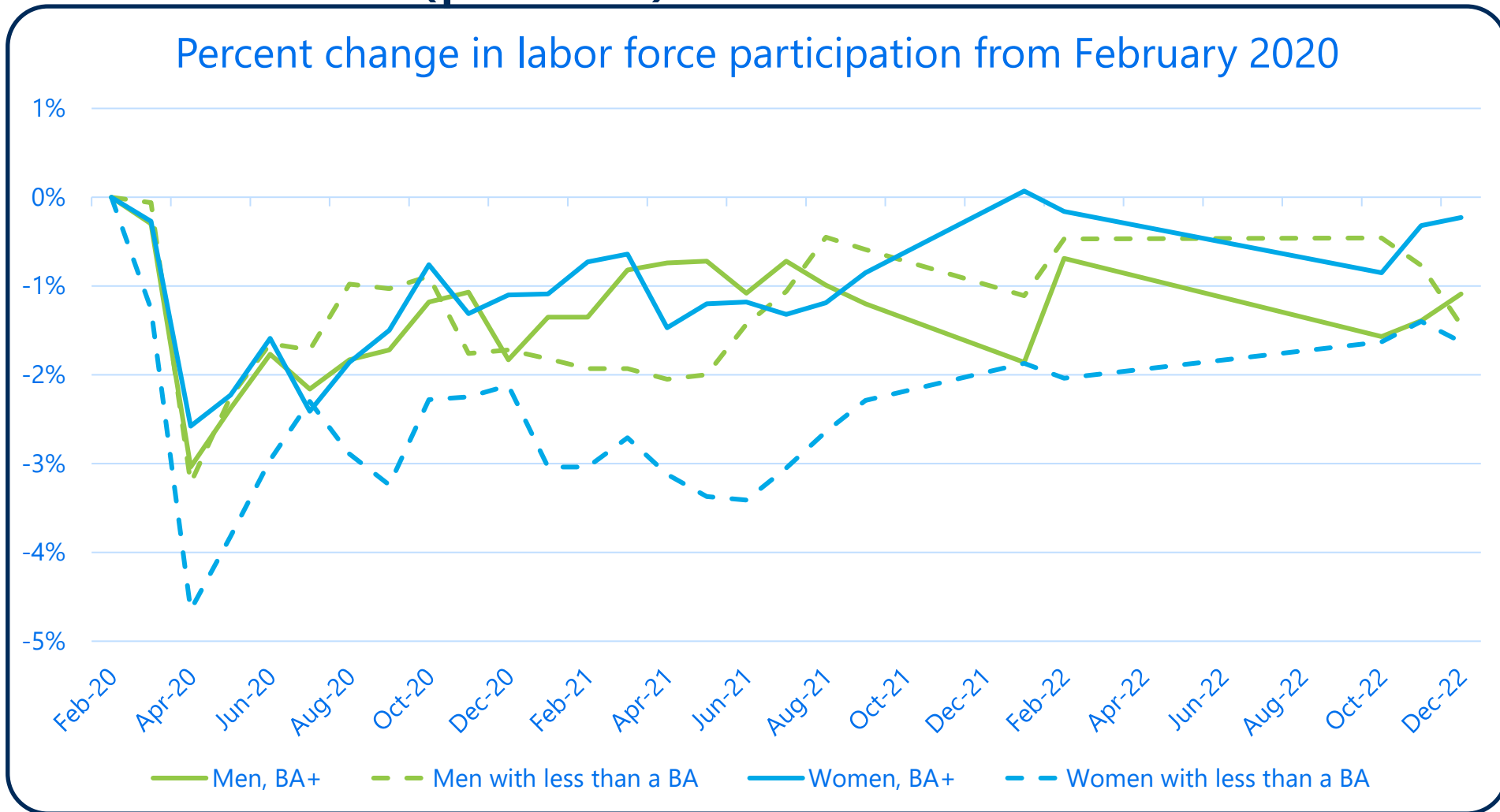
...with consequences in aggregate (part 1)

Estimate: \$34.8 billion in wages was lost for mothers in 2020 and an additional \$28.5 billion in 2021



Source: Federal Reserve Bank of Richmond Calculation

...and especially for those without bachelor's (part 2)

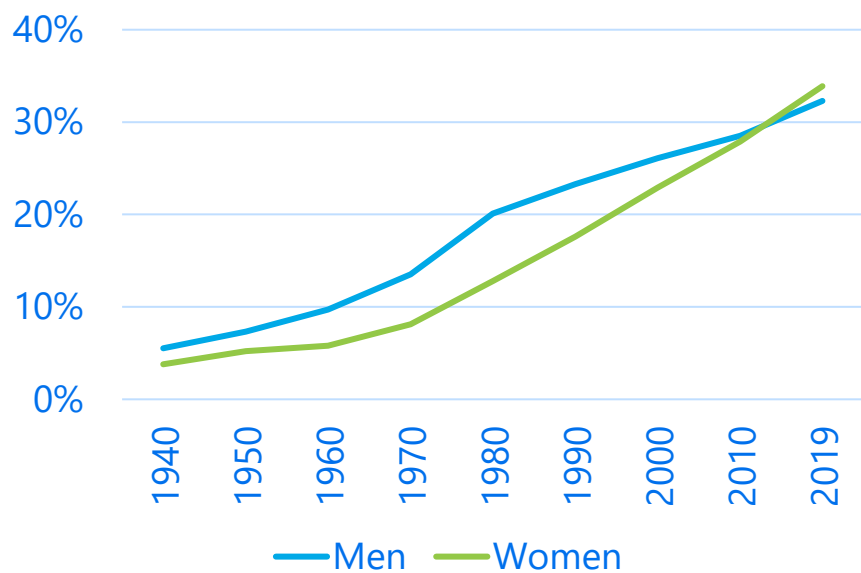


Source: US Census Bureau, Current Population Survey

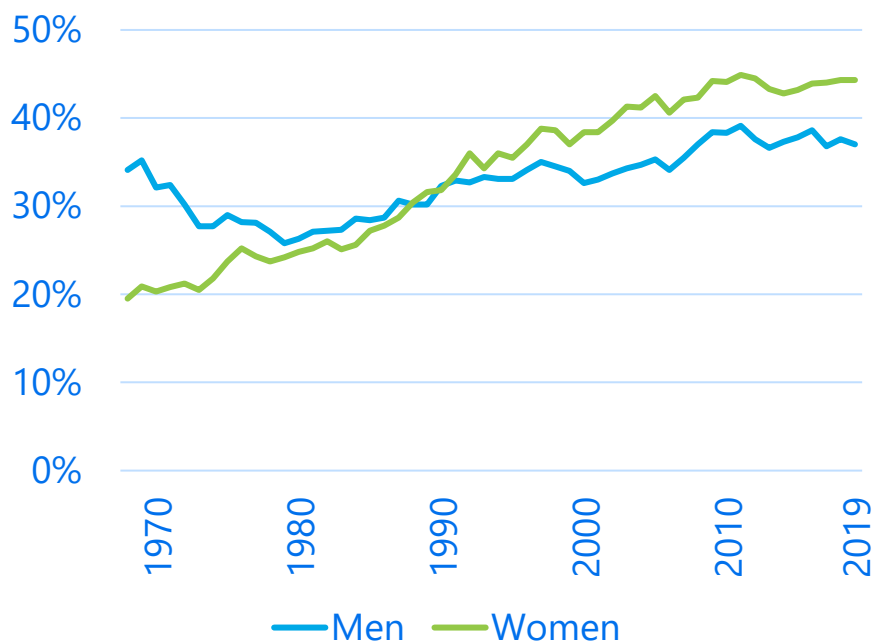
Looking ahead

Childcare-induced interruptions matter now more than ever

Share of the population age 25+ with a bachelor's degree or higher



Share of the population age 18-24 enrolled in college



Source: US Census Bureau

But all this skilling and workplace engagement is at risk with each interruption...

“Much of the economic hit for college-graduate women has been due to the closing down of the caregiving sector.” -- Goldin (2021)

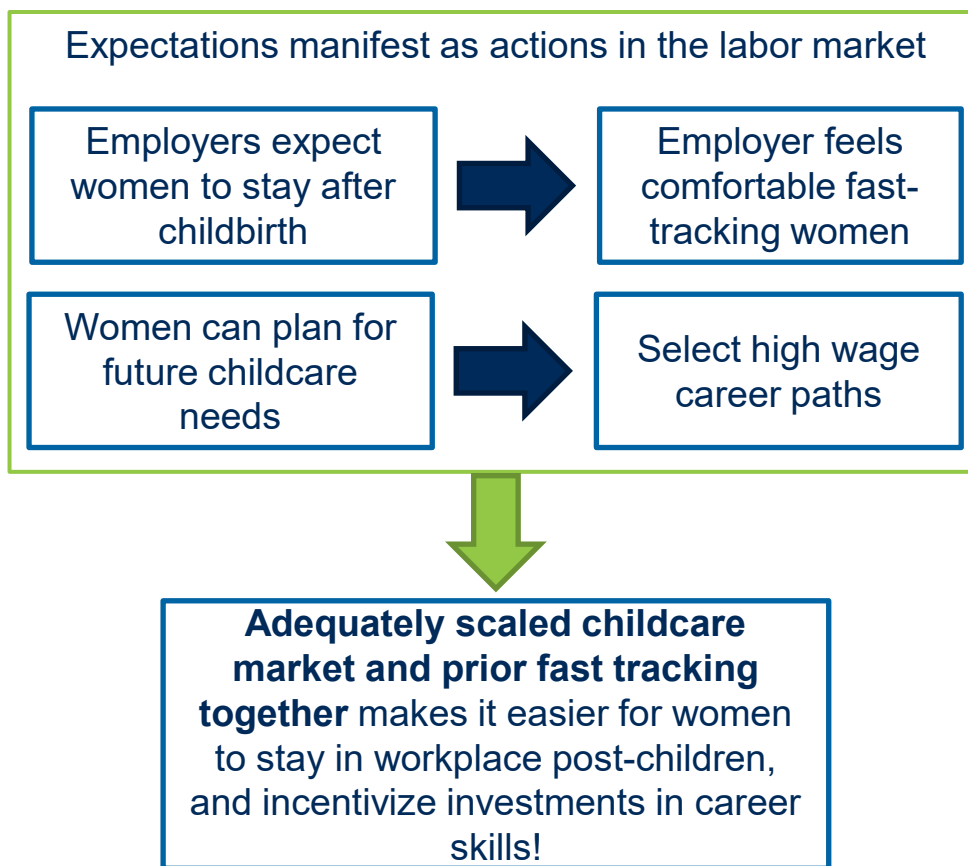
- If norms don't change:
 - It's women who are now about half the labor force in the economy, so interruptions matter for the economy now.
 - It's women who are doing the majority of skill acquisition in the economy, so interruptions will matter even more in the future
- Even if norms do change:
 - Interruptions will cost us in both the short and long run.
- and COVID won't be the last.



The gender wage gap usually remains after controlling for sources of wage differences

Efficient childcare creates space for a virtuous circle, wherein women (esp.) are able to achieve their full professional potential

Expectations “Boom Loop”



Enriched childcare delivers social benefits

Benefit-Cost Ratios for Early Childhood Interventions*

<u>Program</u>	<u>Study</u>	<u>Age Evaluated</u>	<u>Internal Rate of Return (%)</u>	<u>Benefit-Cost Ratio</u>
Perry Preschool	Heckman et al. (2010b)	40	7.6 - 9.9	7.1 - 12.2
ABC/CARE	Garcia et al. (2016)	mid-30s	13.7	7.3
Tulsa part-day UPK	Bartik et al. (2012)	5	6.3 - 7.3	3.0 - 4.1
Tulsa full-day UPK	Bartik et al. (2012)	5	6.1 - 6.8	2.8 - 3.5
GA and OK universal pre-K	Cascio & Schanzenbach (2013)	8th Grade		2.7 - 3.2
Head Start	WSIPP (2019)	Various		2.4

**Following summaries by Heckman and Kautz (2014); Karoly (2016).*

Questions?

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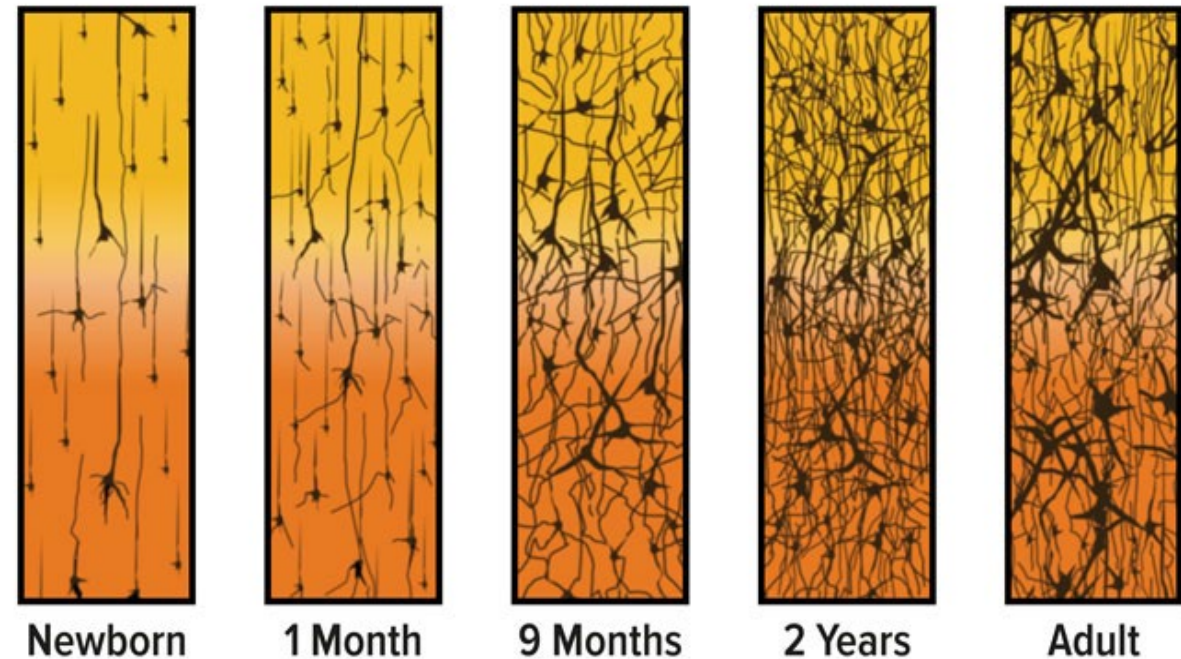
richmondfed.org/research/people/athreya

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Why The Basics?

- **80%** of brain growth happens in the first three years.
- Skill gaps between groups are clear in national data by **age two**.
- Science is clear about the types of **lived experiences** in the first three years that really make a difference!



Neuron Growth & Connections Over Time

Source: Corel, J.L. The postnatal development of the human cerebral cortex. Cambridge, MA: Harvard University Press; 1975

The Basics Principles

- Fun, family-friendly
- Encompass much of what experts say is important
- Easy to grasp, useful in multiple ways to have a powerful impact



Maximize Love, Manage Stress



Talk, Sing, and Point



Count, Group, and Compare



Explore through Movement and Play



Read and Discuss Stories

Socioecological Saturation



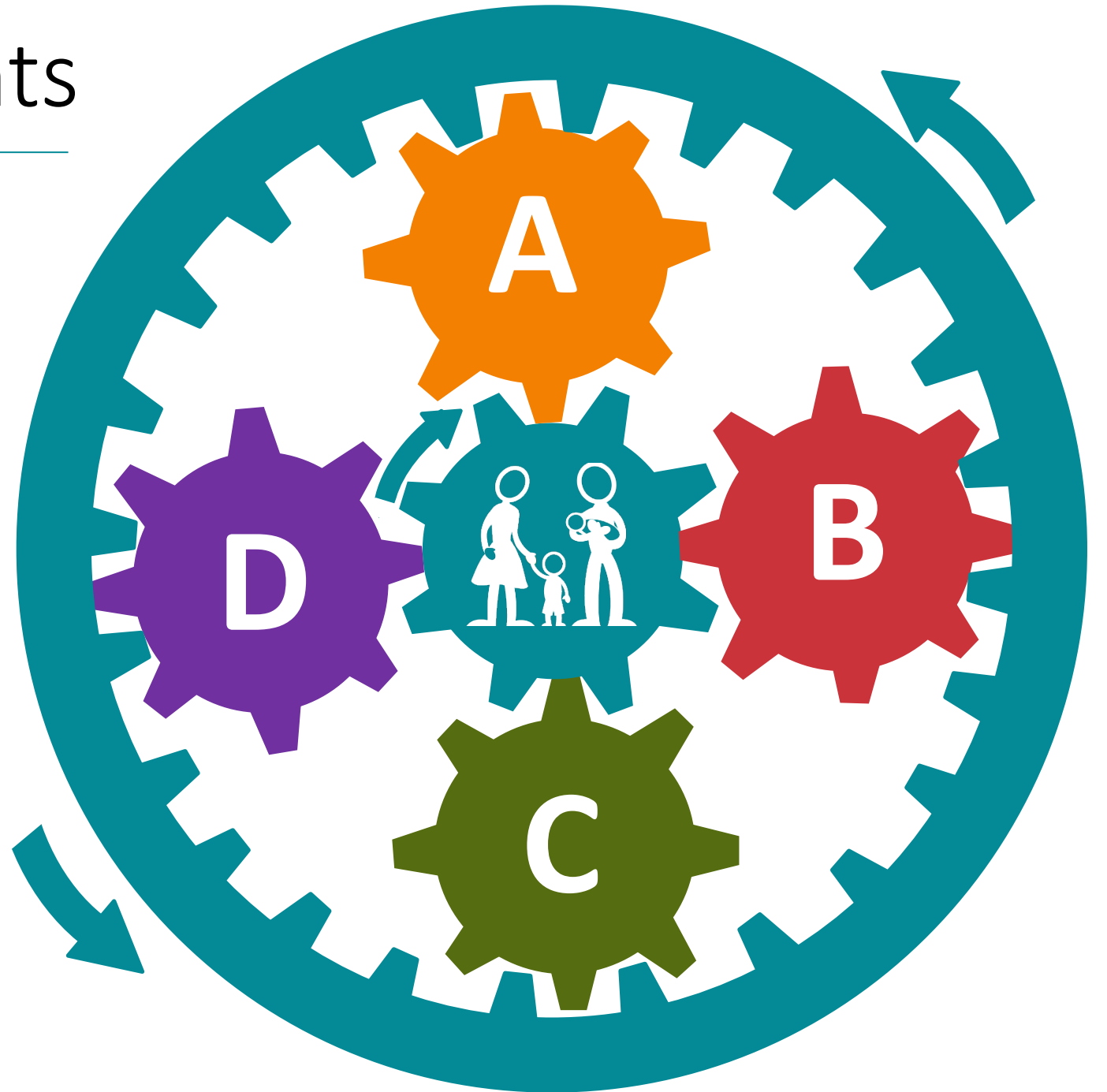
Strategic Components

A. Information

B. Social Reinforcement

C. Reminders

**D. Opportunities to
serve/lead**



COLLECTIVE INTENTIONALITY

What none of us can do alone,
all of us can do together.

A nighttime photograph of a city skyline, likely Richmond, Virginia, featuring several illuminated skyscrapers and a bridge over a body of water. The lights from the buildings and bridge reflect on the water's surface.

Join Us!

Workforce Development: Why It Matters & What You Can Do
April 20th, 2022

Affordable Housing: Why It Matters & What You Can Do
May 11th, 2022

More information available at:

RVAEngage.org

CIVIC ACTION CONVERSATIONS IS A COLLABORATION OF:



Thank You for Attending!

our conversation on:

**EARLY CHILDHOOD EDUCATION:
WHY IT MATTERS & WHAT YOU CAN DO**

