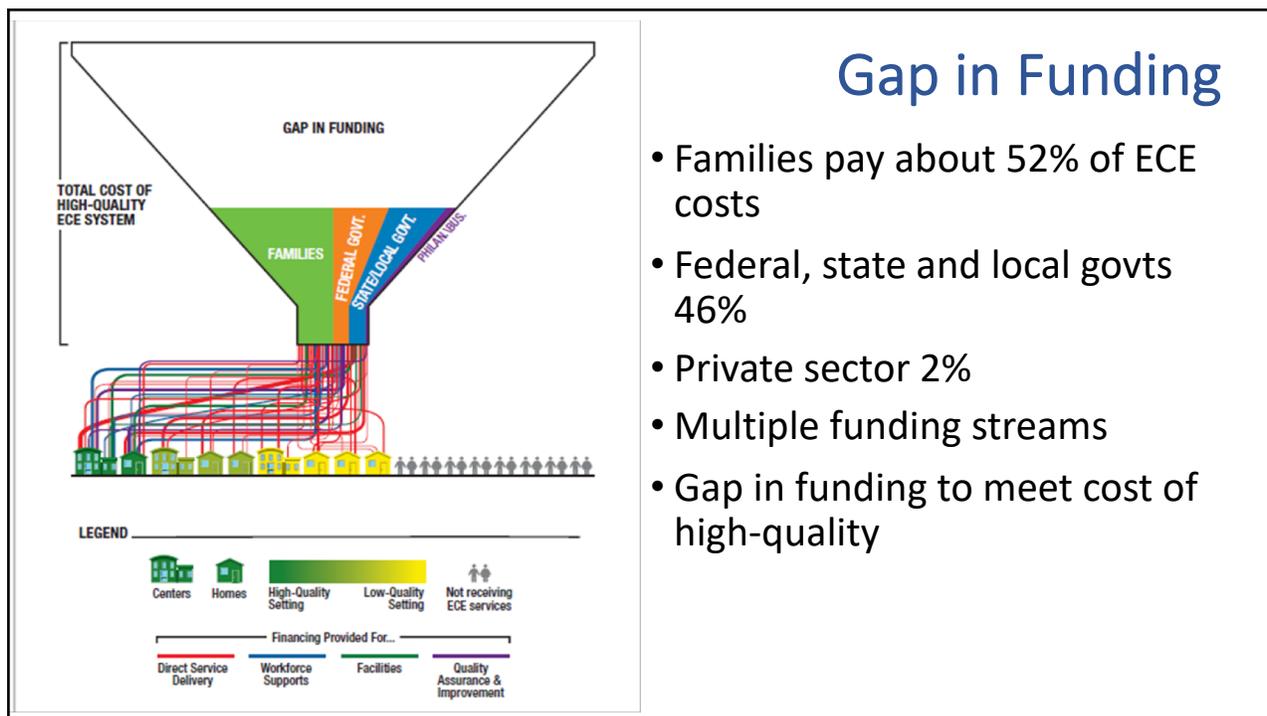
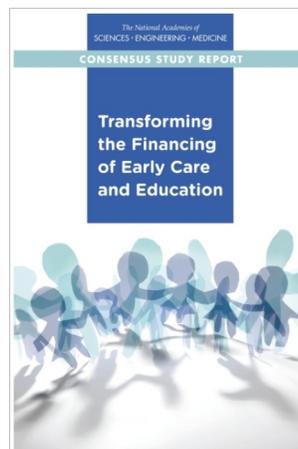


Financing Early Childhood Education



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Member of the National Academies of Sciences, Engineering and Medicine Committee on Financing Early Care and Education with a Highly Qualified Workforce



Current Failures of our Broken Business Model for ECE

- Compensation of ECE practitioners is low
- Salaries are not predictable and steady
- Limited funding for higher education programs and professional development
- Low income families (who pay for care) pay 20 percent of income; highest income pay 6 percent
- Inadequate funding keeps many qualified families from getting assistance
- Programs are not harmonized => gaps for low income families and underutilization by middle income families
- Inadequate financial support to providers and families
- Few incentives for quality
- Decades of underinvestment are hurting children, families, communities and the economy

Cost in Perspective

- OECD countries spend an average of 0.8% of GDP on early childhood education
- United States currently spends 0.4% of GDP on early childhood education
- Norway and Sweden spend the most at nearly 2% of GDP on early childhood programs
- Recommendation from the National Academy of Sciences is to spend .75% of GDP (when fully phased in)

What Minnesota Can Do Now

Build on what already is happening in Minnesota (process is key)

- Public-private partnerships
- Workforce development and compensation working groups
- Widespread support of workforce and economic development arguments for ECE
- Prenatal to three focus

MN public and private leaders should help to shape a state strategic business plan

Increase access dollars

Deal with the undersupply by supporting the workforce with access to higher education and tax credits to increase compensation

Support facilities

Final Messages

- High-quality ECE is critical to positive child development and has the potential to generate economic returns.
- The current financing structure is inadequate to support the recruitment and retention of a highly qualified workforce and ensure and incentivize high-quality services across settings.
- Only a small share of children currently have access to high-quality programs.
- The total cost of providing access to affordable, high-quality ECE for all children exceeds current funding amounts.
- Minnesota can be a leader if we make the right choices