



Early Childhood Education Priorities

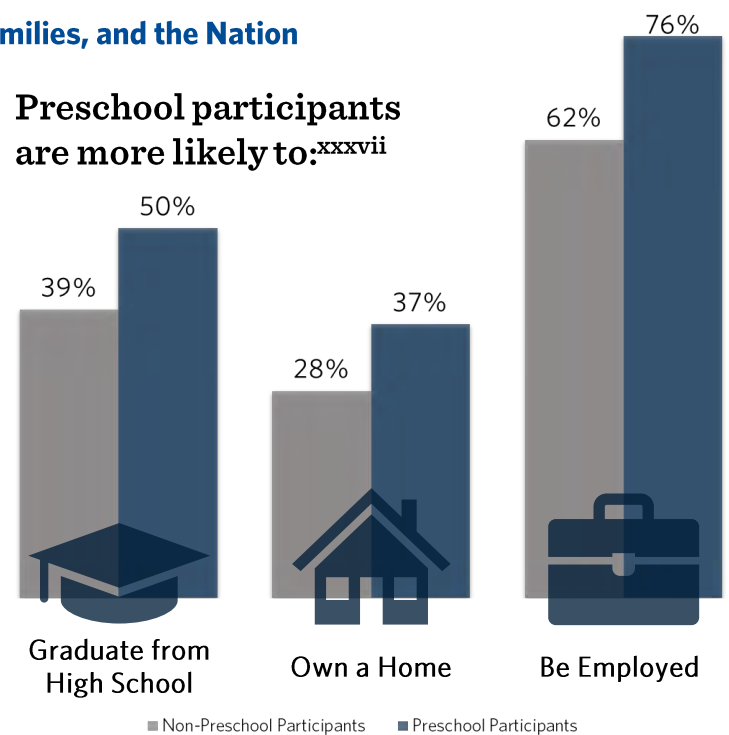
Early childhood education (ECE) is a public good, with short- and long-term implications for the economy, public health and safety, and civic life. Accessible, affordable, and high-quality ECE encompasses childcare, including through center-based, home-based, or mixed delivery systems, as well as pre-K and afterschool care for children from birth to five years old. It benefits individuals, families, and society at large by enhancing children's academic outcomes, health, and social and emotional development.

By helping to produce a more educated, healthy, well-adjusted, and financially stable populace, ECE is a core element of a successful population health approach to our national well-being, and must be accessible to all families, irrespective of socioeconomic status.ⁱ It is in the national interest for the federal government to invest in the health, welfare, and education of all its people, particularly the very youngest.

Benefits of Early Childhood Education for Students, Families, and the Nation

High-quality ECE promotes cognitive skills such as problem-solving, critical thinking, and creativity, and improves economic, health, and socioeconomic outcomes throughout the lifespan.ⁱⁱ Academic achievement gaps can be avoided if children start preschool before age 2, and high-quality childcare improves language and math outcomes for children from kindergarten through third grade.^{iii, iv}

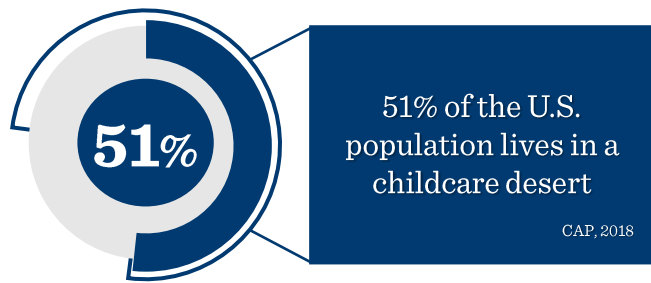
Data show benefits for reading, letter, and word identification, vocabulary, and oral comprehension skills, as well as social and emotional development, including the ability to build positive relationships and work well with others.^{v, vi, vii} Children with neurodevelopmental disabilities also benefit from ECE and integration with early intervention services.^{viii} Children who receive high-quality ECE are more likely to perform better in STEM, enroll in AP or IB courses, and graduate from high school on time, and less likely to fail classes or be chronically absent.^{ix}



In addition to children, caregivers who experience high levels of stress, including due to financial concerns, also greatly benefit from access to ECE.^{x, xi} Affordable ECE helps families financially in the short term and allows them to plan for a more stable future. There are strong linkages between access to affordable ECE and increases in maternal employment and lifetime earnings for women with children.^{xii, xiii} Increased earnings allow for more savings, including for retirement, helping families be more economically secure in the future.

ECE has short-term and long-term benefits for the national economy. Investing in childcare can pay dividends for employers through higher productivity, reduced absenteeism, less lateness, and lower rates of employee attrition.^{xiv} Preschool also has positive effects on lifetime earnings and other adult outcomes.^{xv}

Barriers to Access



The confluence of low supply and consistently rising costs makes ECE exceedingly difficult to access for many families. Over half of the U.S. population lives in a childcare desert and most families spend about 10 percent of their income on childcare, despite the national recommendation of out-of-pocket costs not exceeding 7 percent.^{xvi, xvii} This lack of access disproportionately impacts children from families experiencing poverty, children of color, children with disabilities, children whose families are homeless, recent immigrants, and non-English speakers.^{xviii, xix}

These challenges are further exacerbated by nationwide professional shortages in the ECE workforce, with tens of thousands leaving the field over the past several years.^{xx} A lack of adequate compensation has created one of the most underpaid workforces in the nation, making it exceedingly difficult to recruit and retain highly qualified providers.^{xxi} Additionally, early childhood educators experience high levels of stress and burnout and are likely to experience challenges meeting basic needs.^{xxii, xxiii} Among those considering leaving the profession, nearly half cite mental health as a reason.^{xxiv} Staff shortages, low educator pay, and lack of affordability for families are among the top three reasons that children are under-enrolled in ECE.^{xxv}

Federal Programs Work, but More Investment is Needed

Federal investment in high-quality ECE programs is essential to expanding both their access and affordability. Despite being among the lowest categories of federal spending, ECE received a substantial \$39 billion through pandemic-relief legislation.^{xxvi} Data show that these federal investments helped increase pay for providers and allowed more children to access high-quality ECE.^{xxvii} Although these critical investments led to an increase in preschool enrollment in 2022-2023, the number of children enrolled still remains lower than it was prior to the COVID-19 pandemic.^{xxviii}

Longstanding federal ECE programs, such as Head Start, also have a proven track record of success. Students who attended Head Start are more likely to finish high school, attend and graduate college, and be gainfully employed as adults.^{xxix} Yet, these programs remain chronically underfunded. For example, current funding for the Child Care and Development Block Grant allows less than 15 percent of eligible families to be served.^{xxx}

Additionally, federal tax credit programs, such as the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC), have been successful in helping lift families out of poverty by improving access to basic needs such as food, housing, utilities, clothing, as well as ECE. Temporary expansions of the CTC and the EITC, passed by Congress as part of pandemic-relief legislation, helped reduce childhood poverty to its lowest level on record and led to a significant decrease in housing and food insecurity among families.^{xxxi, xxxii} Data also show that the expanded CTC likely improved child health and well-being.^{xxxiii}

However, as pandemic-era subsidies have phased out, federal expenditures per child, which reached record highs in 2021, have seen a substantial decline and are expected to continue to drop through 2034.^{xxxiv} These declines are most pronounced among federal tax expenditures benefiting children, nutrition, and education. One-third of parents have also reported their childcare costs rising since the expiration of pandemic-era childcare funding.^{xxxv}

Policy Recommendations

These data point to a national imperative for action on ECE, including investing in and growing current programs as well as looking for opportunities to institute new, innovative approaches. Most policies have historically focused on expanding access to high-quality center-based childcare programs; however, a mixed-delivery system, which uses federal, state, and local funds across both licensed center- and home-based childcare programs has a strong evidence base of results.^{xxxvi} Lower-income families and those who identify as Hispanic or Black are more likely to use home-based rather than center-based childcare.

Support and Expand Current Programs

- Increase funding for the **Child Care and Development Block Grant (CCDBG)**, which helps cover the cost of childcare for low-income families.
- Increase funding for **Head Start** and **Early Head Start** to allow for both the expansion of available slots and high-quality services, as well as increased educator pay.
- Increase funding for **Preschool Development Grants Birth Through Five**, which helps states provide access to high-quality ECE.
- Permanently expand the **Child Tax Credit** and the **Earned Income Tax Credit** to at least the levels included in the American Rescue Plan Act of 2021.

Establish New Programs and Funding Streams

- **Address Costs and Expand Access**
 - Institute a high-quality public Universal Pre-Kindergarten care and education program.
 - Support home-based childcare and mixed delivery systems, including through partnerships with state and local educational agencies and by compensating family members who provide childcare.
 - Cap the national average cost for childcare for low-income families at no more than the nationally recommended level of 7 percent or less of a family's annual income.
 - Expand tax credits to help families pay for childcare and incentivize businesses to offer childcare for employees, including through the employer-provided childcare credit.
 - Support states in developing creative approaches to increasing the supply and quality of childcare and provide funding to state educational agencies to develop pre-k programs.
- **Support Educators and Staff**
 - Increase educator and provider pay, including by incentivizing states, localities, Tribes, and Tribal organizations to adopt or expand pay supplement programs.
 - Provide tuition assistance and expand student loan repayment options for early childhood educators, including by ensuring that those working in all types of settings are eligible for the Public Service Loan Forgiveness Program.
 - Include training on early childhood development and effective instructional leadership for children from birth to age eight in teacher preparation and school leadership programs.
 - Provide mental health support and services for early childhood educators and staff to help address stress and burnout.
- **Ensure Basic Needs Security**
 - Expand mental health services for children provided in Head Start and ECE programs.
 - Increase reimbursement rates for nutritious meals in Head Start and other qualifying programs through the federal Child and Adult Care Food Program.
 - Expand eligibility and funding for the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).
- **Improve Infrastructure**
 - Provide funding to update, renovate, and retrofit ECE facilities and infrastructure.

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