

Introduction

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"The return on investment from early childhood is extraordinary, resulting in better working public schools, more educated workers and less crime."¹

High-quality early childhood services make a sound economic investment with returns ranging from \$2.36 to \$17 for every \$1 invested.¹ However, there remain many barriers which restrict access and availability to services despite growing awareness about the importance of brain development during the first few years of life and of the benefits for all children, families and society.² For example, families may not be eligible for a variety of reasons: where they live, how much they earn, whether or not children have disabilities, or how old children are. Families may not be able to afford the quality or type of services they prefer. The quality of care offered by different types of providers varies greatly and aspects of the workforce, such as pay and conditions, training and qualifications, often affect the cost-effectiveness of systems of care and education and child outcomes.³

Parents use these services for different purposes which often overlap: to enhance their children's development and school readiness; and to enable parents to work. The beliefs and needs of young families about the use of child care and education programs also differ. Some parents need to work to balance their household budgets or due to welfare requirements; others stay at home with children and use services only when children reach certain ages.

A young couple with two preschoolers, ages 1 and 4 years old, both work but struggle to meet child care costs. The parents chose to send their children to a high quality center to ensure safety and optimum development. It is located close to their home and is used by many of mom's colleagues. Although the family income of \$60–70,000 per year qualifies them as "middle income," the cost of child care—\$29 per day for the older child and \$35 per day for the younger is more than their mortgage payment. Mom says, "The monthly cost for child care is so outrageous, it has kept us from having more children." The parents fear that the rates will yet be raised within the next few weeks.

All of these factors and others play into decisions about the use of programs, highlighting the need for access to a diverse range of high quality services and supports. Unless families are low-income or 'at risk', parents in the USA carry responsibility for financing most of the early childhood education and care costs themselves.⁴

This Brief will look in more detail at investment in early childhood education and care as an economic development strategy in Michigan and the returns that might be anticipated. In the first chapter, *Early Childhood Education and Care in Michigan*, the scale of the economic expenditure and range of services in this state are outlined alongside recent developments and some of the challenges facing policy-makers.

In Chapter 2, Dr. Larry Schweinhart (High/Scope Educational Research Foundation) describes some key findings from an internationally renowned study, with long-term follow-up of children who were in a high-quality early education program, the High/Scope Perry Preschool Program, in Ypsilanti, Michigan during the 1960s.⁵ Over the next 40 years, the investment brought very large public and personal returns through savings arising from crime reduction, lower welfare and education costs, and increased earnings and increased taxes paid by participants in the program.

This chapter is followed by *Building and Financing Early Care and Education Systems in the States* by Anne Mitchell, (Early Childhood Policy Research & Alliance for Early Childhood Finance). While focusing on states she recently examined (Illinois, North Carolina and Rhode Island),⁶ she looks at what other states are doing to build systems of early childhood education and care, identifies factors critical to the success of systems development, and examines some policy ideas for Michigan.

Final sections provide Detroit perspectives on the topic, some fiscal recommendations, a glossary of terms related to early childhood education and care and additional useful sources of information on the issues presented in this report. References and sources of information used in the preparation of each chapter are included at the end of the Brief.