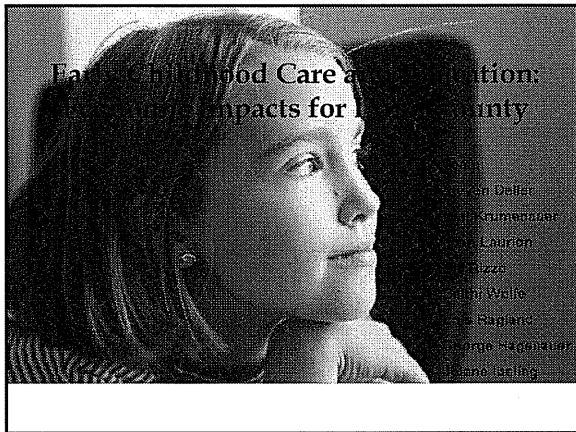
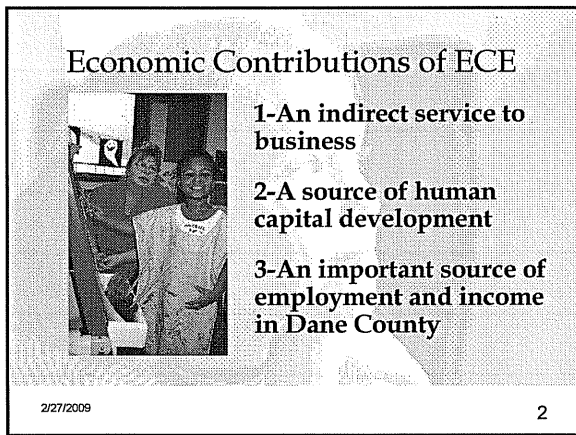
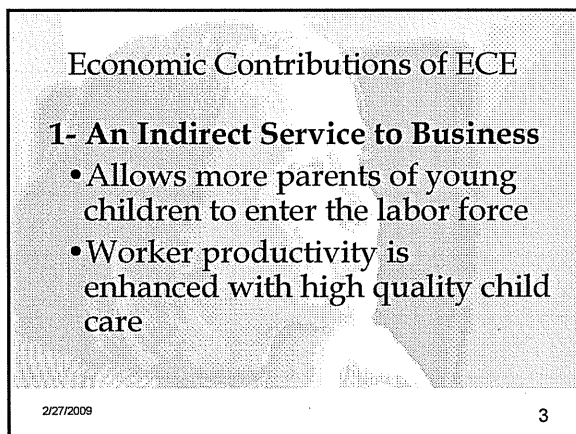


Presentation by Professor Steven Deller to EDC on March 4, 2009

"Early Childhood Care and Education: Economic Impacts in Dane County"







ECE as a Business Service

70.5% of children under age 6 in Dane County have all available parents working

- Milwaukee County: 56.3%
- Wisconsin average: 68.4%
- National average: 58.6%



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ECE as a Business Service

Parents consider ECE quality in decisions to enter the job market

- Greater participation and productivity where high quality ECE exists

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Economic Contributions of ECE

2 - Human Capital

- Enhances children's future learning, productivity, and earnings as adults
- Reduces delinquency, crime, and special education costs

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ECE as a Human Capital Tool

Every dollar spent on high quality ECE realizes a \$2.50 - \$16 return on investment

- Better education and higher earnings as adults



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ECE as a Human Capital Tool

Preventative measure to reduce later, more expensive interventions

- \$73 million spent on intervention services and programs in Dane County, 2007

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Economic Contributions of ECE



3- Viable Economic Sector

- Source of employment, wage, business sales and taxes

ECE as a viable economic sector is the focus of this study

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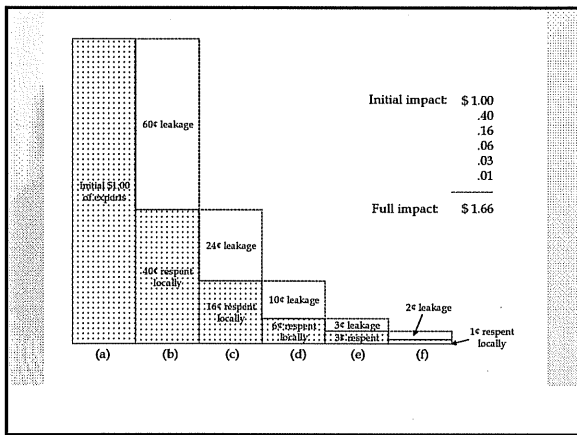
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ECE as a Viable Economic Sector

- To assess the impact of Early Childhood Education we used the concept of an economic multiplier.
- The multipliers are specific to Dane County and the ECE industry.

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ECE as a Viable Economic Sector

As an Industry ECE supports:

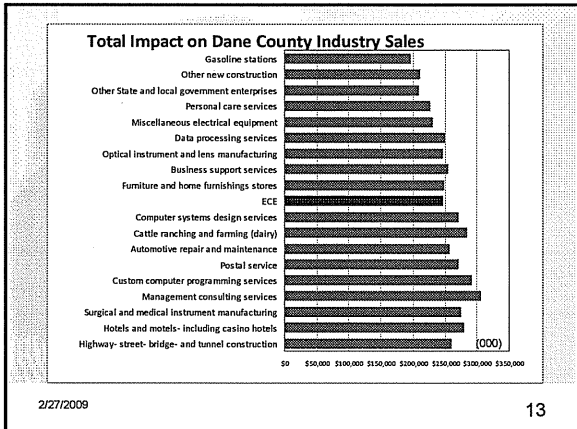
- \$246.6 million in industrial sales
- \$4.9 million in sales and property taxes
- 4,200 jobs
- \$154 million in total income

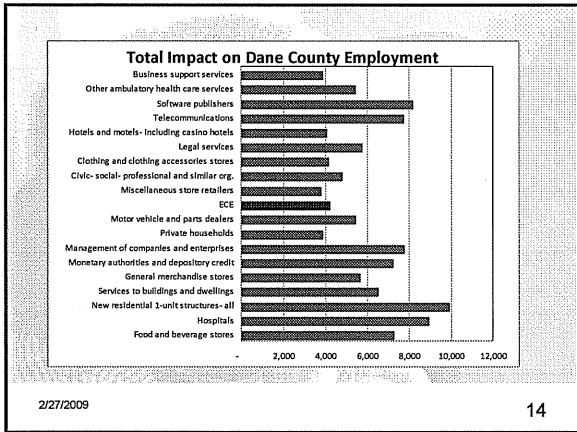
All in Dane County

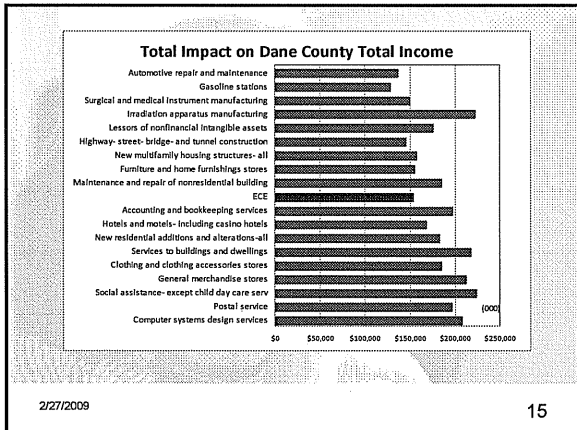


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ECE as a Viable Economic Sector

- For every dollar of revenues generated by ECE an additional 52 cents of industrial sales will be generated.

- For every job in ECE there are an additional 0.22 jobs generated.



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ECE as a Viable Economic Sector

- For every dollar of wage & salary paid an additional 44 cents of income is generated.

- For every dollar of total income generated by ECE an additional 47 cents of total income is generated.



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Demand for ECE Services

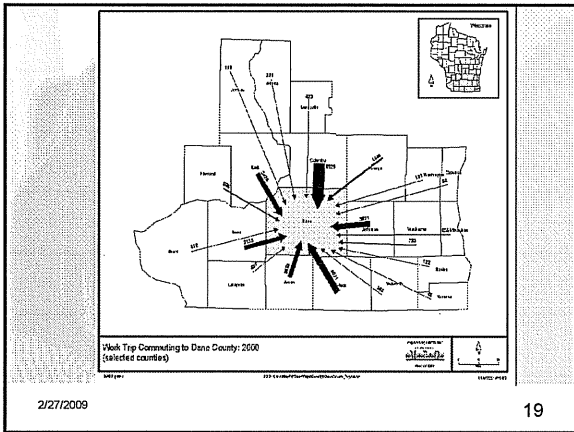
- Growing number of single parent households along with households with both parents working.

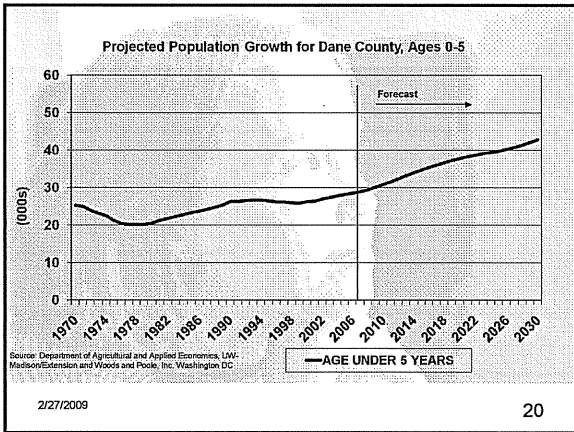
- Growing commuting shed with more people commuting into Dane County.

- Growing number of children under the age of 6 years.

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ECE Service Providers

Changing characteristics of ECE

- Fewer providers, but more spaces available.
- Fewer family child care providers, more centers.
- Fewer spaces in the highest quality settings.

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ECE Service Providers

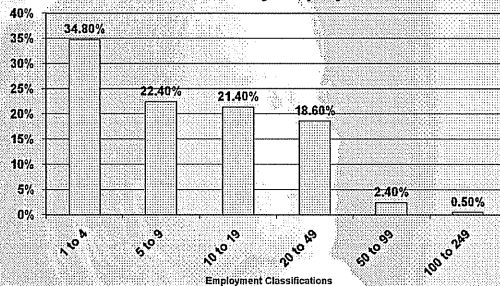
Beyond the formal economy

- 1,700 children under age 5 in Dane County, living in poverty, receive unregulated informal care.
- Lost economic opportunity in terms of wages and tax revenues.

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ECE Firm Size by Employment



Source: Department of Agricultural and Applied Economics, UW-Madison Extension and U.S. Census Bureau, Patterns.

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ECE Service Providers

High Turnover

- 30% for Dane County in 2006
- Frequent hiring & training impacts profitability



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ECE Service Providers

Lower Wages than Comparable Industries

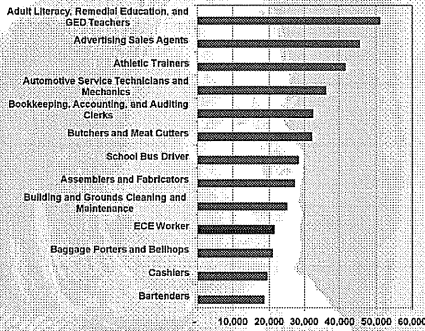
- \$21,456 annual income for ECE workers in Dane County in 2007
- Low pay for long hours



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Annual Wages/Salary for Dane County in 2007



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Discussion Question

What role, if any, should the private sector play in providing access to affordable high quality early childhood care and education?

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Discussion Question

How can the early childhood care and education sector be professionalized so that its public perception and employment standards match its economic status?

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Discussion Question

What is the economic impact of ECE beyond Dane County and across the THRIVE region?

Discussion Question

Are current levels of public subsidies sufficient to ensure access to quality early childhood care and education for low socioeconomic status families?

Discussion Question

Should the early childhood care and education sector be publicly redefined to reflect the large public subsidy influence on what is generally considered a private market industry?

Discussion Question

If the ECE industry raises substantial revenue through child care rates, why do compensation levels for employees remain lower than comparable professions?
