



Executive Summary

The Economic Impact of Early Care and Education in Nevada



Investments in Early Childhood: Vital to Nevada's economy today and tomorrow

The early care and education (ECE) industry educates and cares for children birth through age twelve, focusing on the developmental needs of children and their families through a variety of settings including child care centers, Head Start, family and group home child care, early childhood special education programs and out-of-school-time programs. ECE in Nevada:

- Generates \$345 million annually and provides more than 9,000 full-time equivalent jobs
- Benefits all industries throughout the state by enabling parents—one of every ten workers—to work productively or attend school or training, which ensures a well-prepared and ready workforce for today
- Builds a ready workforce for the future, laying the groundwork for Nevada's future economic success
- Increases school readiness and improves K-12 outcomes
- Supports 62% or 142,400 young children whose parents are in the workforce.

Everyone benefits from Nevada's early care and education industry. Building partnerships ensures that there is a high-quality and affordable early childhood system for all of Nevada's children and their families.

About This Report

This report was produced by the **Insight Center for Community Economic Development**, a national research, consulting and legal organization dedicated to building economic health and opportunity in vulnerable communities.

The Insight Center for Community Economic Development is a national research, consulting, and legal organization dedicated to building economic health and opportunity in vulnerable communities. The Insight Center works in collaboration with foundations, nonprofits, educational institutions, and businesses to develop, strengthen, and promote programs and public policy that:

- Lead to good jobs—jobs that pay enough to support a family and offer benefits and the opportunity to advance;
- Strengthen early care and education (ECE) systems so that children can thrive and parents can work or go to school; and
- Enable people and communities to build financial and educational assets.

Learn more about the Insight Center at www.insightcced.org

This report is the result of the collaboration with The Children's Cabinet, which gathered and provided expertise around the data for this report. The Children's Cabinet organized a Data Advisory Committee to oversee the gathering and the presentation of the ECE data presented in this report. The Children's Cabinet also organized a Policy Advisory Committee to oversee the report's content and messaging and develop the recommendations.



The Children's Cabinet exists to keep children safe and families together by offering services and resources that address unmet needs, through a unique and effective cooperative effort between the private sector and public agencies in Northern Nevada.

The early care and education industry is an economic driver in Nevada

ECE enables parents to be part of Nevada's workforce and upgrade their skills:

- There are 214,000 workers in Nevada who live in households where all parents work and where there are children between birth and age twelve. Together these parents earn more than \$8.3 billion every year. A strong early care and education system offers parents options for how they choose to balance the responsibilities of raising their children and providing for them.
- Early care and education programs on school campuses enable working parents to update their skills while their children are in quality educational environments. Research studies find that student parents who use on-campus child care programs have higher grade point averages; are more likely to remain in school and graduate in fewer years; and have higher graduation rates than their campus counterparts. At least six Nevada colleges – University of Nevada, Reno; Truckee Meadows Community College; Western Nevada Community College; Great Basin College; University of Nevada, Las Vegas; and the College of Southern Nevada – have lab preschools, allowing students to attend school, and faculty and staff to have access to quality child care.

ECE supports employee productivity across Nevada's industries:

- Without safe, affordable options for caring for their young children, parents may leave their jobs, costing businesses in recruitment, retraining and the loss of skilled workers. Turnover costs for staff average over \$9,000 for employees earning \$8 per hour, and 150 percent of the salary of salaried employees.
- Nationally, more than one fifth of all unscheduled absences from work are due to family issues, costing businesses money and productivity. Onsite child care or emergency back-up child care reduces unscheduled absenteeism and saves businesses money.
- ECE benefits help everyone. Employees without young children report that their work environment would improve if their employer offered early care and education benefits. Access to convenient and reliable early care and education is also an attractive benefit for employees without young children because they do not need to cover for their peers during unscheduled absences.
- Smaller and medium size businesses across the state can also benefit from providing effective child care benefits, such as flexible work hours, pre-tax spending plans, tele-commuting, and paid parental leave.



“...businesses will not come unless they can promise their business leaders a quality work force and their workers a quality educational system for children...”

Heath Morrison, Washoe County School District Superintendent

The early care and education industry enables future economic success in Nevada

ECE provides the foundation of a ready workforce:

- Quality early care and education programs boost success in K-12, and are an important part of Nevada's education system, which must meet the rigorous demands of a knowledge-based economy. Research shows that children in high-quality preschool settings show greater language development, mathematical ability, and reasoning and attention skills, as well as fewer behavior problems in Kindergarten than children in lower quality care settings.
- Longitudinal studies show that high-quality early childhood programs demonstrate significant long-term positive benefits for children, such as greater school achievement and grade retention, and a decreased need for special education. High quality programs can help lower Nevada's high school dropout rate and raise the state's low post-secondary education entrance rate.
- The quality and accessibility of ECE programs hinge on two key factors: qualified and nurturing caregivers, and a safe and healthy, environment that is designed to help children at that age to learn effectively.

ECE provides a positive rate of return on investments:

- Longitudinal studies show that high-quality programs can save taxpayer dollars by decreasing the need for special education and lowering rates of juvenile delinquency, adult incarceration, and welfare participation. Not only does this decrease government spending, it also increases the quality of life for all citizens.
- The Federal Reserve Bank in Minneapolis analyzed rates of return from investing in a model early childhood program for low-income children. They found a 16 percent rate of return on investment—considerably higher than the long term return from U.S. stocks of 7 percent (see Figure 1).



“When children are enrolled in high quality early education programs, they are prepared for success, and avoid crime. When they fail, we fail.”

Mike Haley, *Washoe County Sheriff*

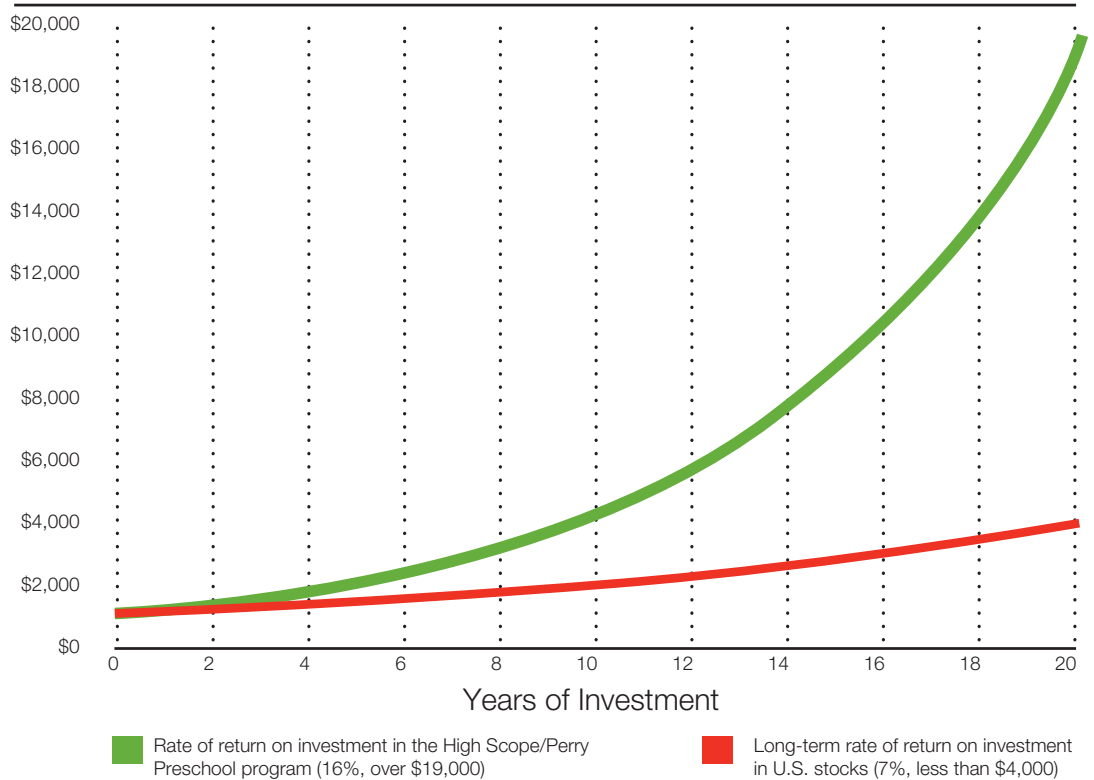
“We’re calling for lawmakers to intensify efforts for funding early childhood programs so at risk children are on track to graduate, instead of incarceration.”

Catherine Cortez-Masto, *Nevada Attorney General*

Figure 1

Return on \$1,000 investment, High Scope/Perry Preschool Program vs. U.S. Stocks

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Early care and education is a vital part of Nevada's education system

ECE includes a diverse array of programs in Nevada that offer care and education to children between birth and age twelve outside traditional public school (K-12) education. At a glance:

- Number of children between birth and age twelve: 467,000
- Number of children, 0 to 12, who live in families in which every parent is in the workforce: 317,000 children, 68 percent of all children
- Number of child slots provided by early care and education programs included in this study: 83,921

These statistics show that less than one third of children with working parents can attend licensed and registered early care and education programs. Other families must find assistance from family, friends, or neighbors, or adjust work schedules so they can care for their children.



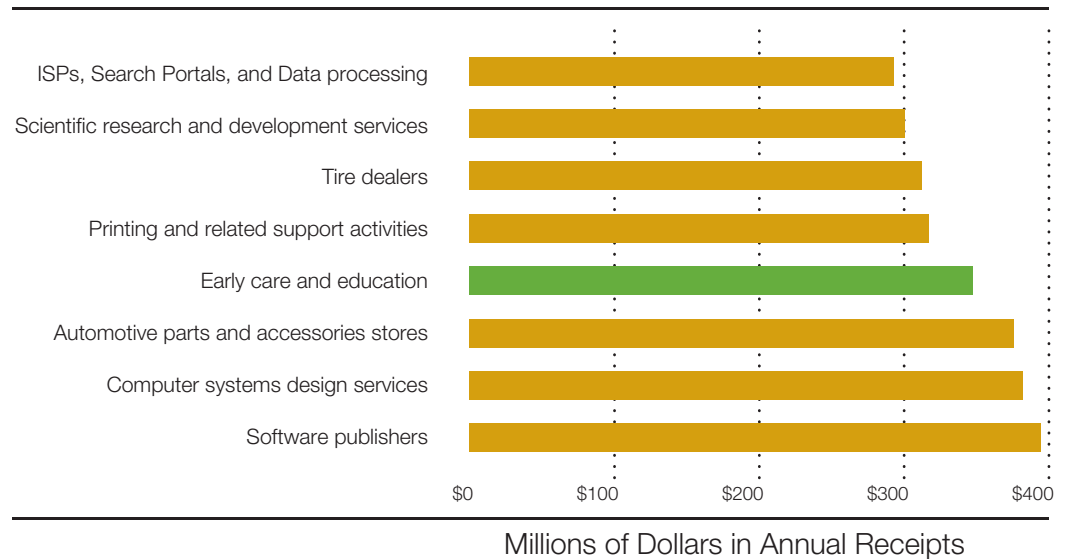
“Quality early education for at-risk children can produce an annual rate of return as high as 16%-higher than most stock portfolios. It should be at the top of any state’s economic development agenda.”

Art Rolnick, Economist and Former Research Director at the Federal Reserve Bank of Minneapolis

Early care and education is a significant industry in Nevada

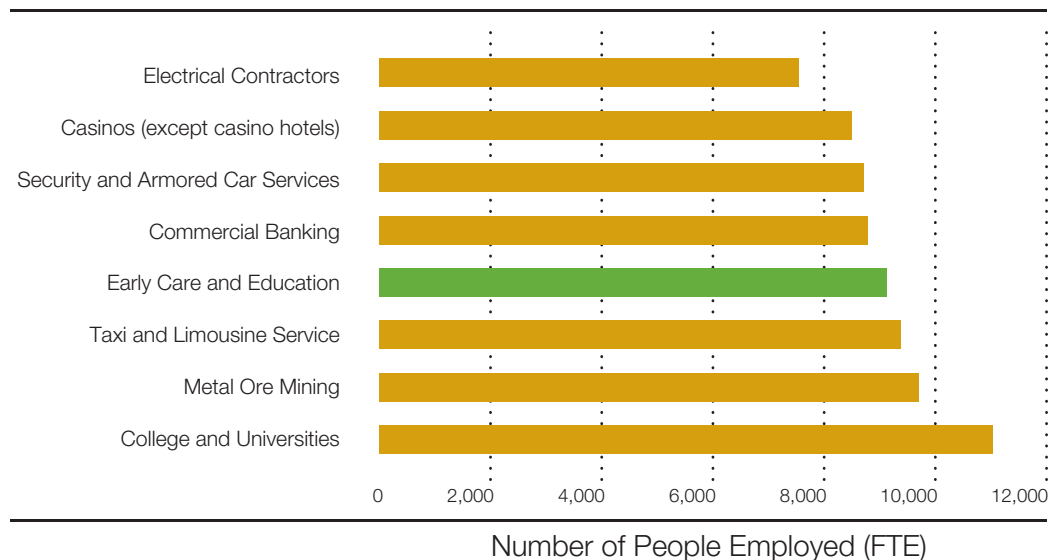
The ECE industry generates \$345 million annually in gross receipts— the total amount of dollars flowing into the sector in the form of payments for care, including both parent fees and private and public investments (see Figure 2). In Nevada, ECE generates a higher amount of receipts than Internet service providers (ISPs), search portals and data processing and Scientific research and development services. It generates nearly as much in receipts as Computer systems design services.

Figure 2
Gross Receipts or Sales by Industry



Early care and education directly supports more than 9,000 full-time equivalent jobs, employing more people than Commercial banking and Non-hotel casinos and nearly as many as Taxi and limousine services. (see Figure 3)

Figure 3
Employment by Industry



The effects of early care and education ripple through the economy, creating an additional \$256 million in economic activity and 2,144 jobs because early care and education businesses and workers make local purchases, further boosting Nevada's economy.

Recommendations

Now is the time for business, government, the child care industry and the general public to work together to ensure that the early care and education industry is a vital part of Nevada's economic development, workforce development and overall education system.

Business Strategies

- Support local, state, and federal legislation that maintains or expands access to quality early care and education (ECE) programs.
- Engage business leaders to champion target messaging to the larger business community about the importance of ECE.
- Target large businesses to provide ECE benefits to their employees and assist smaller businesses to develop a co-op to do the same.
- Develop and contribute to a grant or loan fund for child care providers who need start-up or quality enhancement funding.
- Foster partnerships with ECE programs, such as replicating the Partners in Education program.
- Work with small business development centers to provide technical assistance related to business development and finance to ECE providers.

Government Strategies

- Make funding decisions based on best practices and require programs to be outcome-based.
- Increase awareness of the P-3 (Preschool to 3rd Grade) Initiative which aims to create a seamless system of education and support for Nevada's children from early childhood through the third grade.
- Investigate the benefits of blended funding sources to create integrated systems of support across the local, state, and federal level.
- Review existing policies and procedures between agencies to reduce barriers and increase access to services for parents and early care and education providers.
- Include language in city general plans prioritizing the development of child care facilities.
- Support and provide funding for Nevada's Quality Rating Improvement System (QRIS).

Child Care Industry Strategies

- Work collaboratively to increase understanding and improve messaging within the ECE industry about the link between high-quality ECE and school readiness, life success, and a stronger economy.
- Develop a communications plan and outreach strategy to educate and engage business leaders and other stakeholders about the return on investment of high-quality ECE.
- Engage traditional and non-traditional stakeholders to champion the importance of ECE and support ECE workforce development to improve quality through educational attainment, skills training and compensation.
- Increase access to high quality services for low- and moderate-income children and their families.

Acknowledgments

This publication was written by Insight Center Program Managers Brentt Brown and Tim Lohrentz, with assistance from Elizabeth Winograd, Esther Polk, and Elisabeth Roth. Marty Elquist, CCR&R Program Manager of The Children's Cabinet also contributed significantly to this publication.

Contributors to the report include the Policy Advisory Committee:

Karen Barsell
United Way of Northern Nevada & The Sierra

MaryAnn Brown
Washoe County Health Division

Randy Brown
AT&T

Jamie Burnett
The Children's Cabinet

Margot Chappel
Head Start Collaboration Office

Larry Charlton
City National Bank

Marty Elquist
The Children's Cabinet

Joanne Everts
Washoe County School District Early Childhood

Bette Katz
The Children's Cabinet

Scott Kelley
Washoe County School District Board of Trustees

Carol Levins
Creative Kids Learning Center

Mary Liveratti
Nevada Dept. of Health & Human Services

Catherine Lyons
UNLV

Mark Nichols
UNR Economics

Margaret Oberg

Sharyn Peal
Nevada Department of Education

Doreen Rogers
US Bank

Michael Russell
United Construction

Sherry Waugh
UNR Child & Family Research Center

Jeanne Wendel
UNR Economics

The Data Advisory Committee also contributed to the report:

Jerry Allen
Nevada Division of Welfare and Supportive Services

Margot Chappel
Nevada Head Start State Collaboration Office

Marty Elquist
The Children's Cabinet

Melissa Faul
Nevada Bureau of Services for Child Care

Whitney Leathers
TEACH Nevada

Shelly Nye
The Nevada Registry

Anna Severns
Nevada Department of Education

Wendy Whipple
Nevada Early Intervention Services