To benefit everyone in Massachusetts, businesses, government and the child care and early education industry must work together to:

- Incorporate child care and early education formally as an economic development component in state and local planning
- Create incentives for employers to promote and support the child care and early education industry
- Promote increased quality in the child care and early education industry
- Increase accessibility to quality programs

Government

- Regional Planning Councils can include child care and early education in community revitalization plans.
- Government leaders and elected officials can hinder public-private partnerships.
- Government leaders can invest in public funds in scholarships, loan forgiveness programs, and tuition incentives to make getting a higher education degree more affordable.
- State higher education institutions can create an accessible professional development system.
- Government leaders can expand existing initiatives or develop new ones to increase professional earnings and health care benefits.
- Government leaders can increase funding to reimburse programs for low-income children at a higher rate.
- Government can increase funding to eliminate waiting lists for low-income families.

Business

- Government leadership groups can analyze the child care needs of employees and invite other child care and early education stakeholders to plan with them to meet those needs.
- Business leaders can initiate public-private partnerships to engage in short- and long-term community child care and early education planning.
- Business leaders can advocate for child care and early education development activities and funding that ensure child care and early education needs are met.
- Business partnerships can maximize investment impacts and reduce costs by pooling funds.
- Businesses that have implemented successful child care and early education programs can act as advocates within the business sector.
- Business leaders and membership organizations can advocate for quality standards and incentives to improve quality.
- Business leaders can ensure that quality child care and early education is accessible to employees at all pay levels.

Child Care and Early Education Industry

- Child care and early education professionals can join state and local economic planning boards.
- Industry professionals can access technical assistance, training, loan products and other resources from the Small Business Development Corporation and the Small Business Administration.
- Industry infrastructure leaders, such as the Office of Child Care, the National Association of Regional Planning Councils and Reinvest Around Massachusetts, can coordinate policies and create an effective local infrastructure for their support.
- Community Partnerships for Child Care Services, the Resource and Referral Network, and Community Partnerships for Children can distribute information and advocate about the importance of quality child care to identify quality programs.

Infrastructure leaders can provide local information to employers about child care and early education resources and needs.

Establishments can achieve and maintain accreditation or other standardization of quality indicators.

Infrastructure leaders can encourage professionals to further their education in the field.

National Economic Development and Law Center

The National Economic Development and Law Center (NEDLC), with a grant from the W.K. Kellogg Foundation, is working with states across the nation to produce reports and recommendations on the economic impact of the child care and early education industry. These reports articulate child care and early education in economic development terms and quantify the ways in which the industry is critical to the state’s economy. In addition, the reports can help build local partnerships that increase child care and early education industry’s capacity to respond to the shifting child care needs of America’s families. For the Massachusetts report, NEDLC partnered with the Massachusetts Department of Education Division of Early Learning Services (www.doe.mass.edu) to form an Advisory Board of Massachusetts statewide leaders in the fields of business, government, child care and early education, and economic development.

To view the full report online, please visit www.nedlc.org.
Child care and early education is a significant industry in Massachusetts.

When Preparing Children for Success, Quality Matters

- Young children, particularly low-income children, in higher quality preschool settings, are better prepared for kindergarten than children in lower quality settings.
- Children in quality after-school programs are more likely to stay in school, have higher career aspirations, and join the labor force as adults than peers who do not participate in after-school programs.
- A recent study of Massachusetts’ child care and early education settings suggests that quality could be enhanced through better wages and benefits for child care and early education professionals, more education for those in the field, and continued program accreditation.
- Working parents with children under 18 earn $31.9 billion in Massachusetts annually. Those with children under age 6 earn $3.1 billion every year in the state.
- Problems for working parents affect significant portions of the labor force. One in four Massachusetts workers—903,000 labor force participants—has a child under 18. One in ten workers has a child under age 1.
- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).
- 31 percent of Massachusetts workers with school-age children report they made career or job changes based entirely on their child’s schedule.
- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 each and large companies an average of $3.6 million each, are increased with good child care and early education.
- Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.

The child care and early education industry enables businesses to attract and retain employees, reduce absenteeism, and increase productivity.

- Recruitment of a skilled labor force of young professional families, especially in targeted growth areas, such as the high-tech and bio-technology industries, is enhanced with quality, affordable, accessible child care and early education.
- Working parents with children benefit from greater productivity and increased earnings. The Staples Child Care Center in Framingham has been a major asset in attracting and retaining employees, according to Staples President and CEO Ron Sargent.
- Child care and early education benefits reduce turnover by an average of nearly one-half, a significant sum because employee turnover is estimated to cost 1.5 times an employee’s salary. The Staples Child Care Center in Framingham has been a major asset in attracting and retaining employees, according to Staples President and CEO Ron Sargent.

Investing Taxpayers’ Money Wisely

- The majority of children in the state live with working parents and are in some form of care outside the home (See Figure 3).
- Quality programs, particularly for low-income children, decrease the likelihood of costly negative outcomes, such as special education enrollment, juvenile delinquency, adult incarceration, and welfare participation. This, of course, saves government money.
- One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. “This return is too good to pass up—not only for the children but also for the taxpayers,” wrote one of the authors of the Federal Reserve Bank analysis.
- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).
- Quality programs, particularly for low-income children, decrease the likelihood of costly negative outcomes, such as special education enrollment, juvenile delinquency, adult incarceration, and welfare participation. This, of course, saves government money.
- 31 percent of Massachusetts workers with school-age children report they made career or job changes based entirely on their child’s schedule.
- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 each and large companies an average of $3.6 million each, are increased with good child care and early education.
- Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.

One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. “This return is too good to pass up—not only for the children but also for the taxpayers,” wrote one of the authors of the Federal Reserve Bank analysis.

Ensuring an adequate supply of educated workers and increasing the likelihood of obtaining a college degree, by improving children’s early learning opportunities, will help position Massachusetts for future economic growth and prepare tomorrow’s work force for the changing demands of our economy.”

Richard Lord, President, Associated Industries of Massachusetts and Ann Mc Donald, Executive Director, Massachusetts Business Roundtable, Opinion, Boston Sunday Herald.

The majority of children in the state live with working parents and are in some form of care outside the home (See Figure 3).

Quality programs, particularly for low-income children, decrease the likelihood of costly negative outcomes, such as special education enrollment, juvenile delinquency, adult incarceration, and welfare participation. This, of course, saves government money.

- One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. “This return is too good to pass up—not only for the children but also for the taxpayers,” wrote one of the authors of the Federal Reserve Bank analysis.
- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).
- 31 percent of Massachusetts workers with school-age children report they made career or job changes based entirely on their child’s schedule.
- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 each and large companies an average of $3.6 million each, are increased with good child care and early education.
- Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.

One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. “This return is too good to pass up—not only for the children but also for the taxpayers,” wrote one of the authors of the Federal Reserve Bank analysis.

Ensuring an adequate supply of educated workers and increasing the likelihood of obtaining a college degree, by improving children’s early learning opportunities, will help position Massachusetts for future economic growth and prepare tomorrow’s work force for the changing demands of our economy.”

Richard Lord, President, Associated Industries of Massachusetts and Ann Mc Donald, Executive Director, Massachusetts Business Roundtable, Opinion, Boston Sunday Herald.

When Preparing Children for Success, Quality Matters

- Young children, particularly low-income children, in higher quality preschool settings, are better prepared for kindergarten than children in lower quality settings.
- Children in quality after-school settings are more likely to stay in school, have higher career aspirations, and join the labor force as adults than peers who do not participate in after-school programs.
- A recent study of Massachusetts’ child care and early education settings suggests that quality could be enhanced through better wages and benefits for child care and early education professionals, more education for those in the field, and continued program accreditation.
- Working parents with children under 18 earn $31.9 billion in Massachusetts annually. Those with children under age 6 earn $3.1 billion every year in the state.
- Problems for working parents affect significant portions of the labor force. One in four Massachusetts workers—903,000 labor force participants—has a child under 18. One in ten workers has a child under age 1.
- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).
- 31 percent of Massachusetts workers with school-age children report they made career or job changes based entirely on their child’s schedule.
- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 each and large companies an average of $3.6 million each, are increased with good child care and early education.
- Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.
When Preparing Children for Success, Quality Matters

Child care and early education is a wise public investment ensuring a strong economy in the future.

Investing Taxpayers’ Money Wisely

- The majority of children in the state live with working parents and are in some form of care outside the home (See Figure 3).

- Quality programs, particularly for low-income children, decrease the rate of costly negative outcomes, such as special education enrollment, juvenile delinquency, adult incarceration, and welfare participation. This, of course, saves government money.

- One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. “This return is too good to pass up—not only for the children but also for the taxpayers,” wrote one of the authors of this Federal Reserve Bank analysis.

- Child care and early education benefits reduce turnover by an average of nearly one-half—a significant sum because employee turnover is estimated to cost 1.5 times an employee’s salary. The Staples Child Care Center in Framingham has been a major asset in attracting and retaining employees, according to Staples President and CEO Ron Sarson.

- Recruitment of a skilled labor force is one of the major demands of our economy.”

- The expense of unscheduled absences, which cost small businesses an annual average of $60,000 each and large companies an average of $3.5 million each, are increased with good child care and early education.

- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).

- 31 percent of Massachusetts workers with school-age children report they made career or job changes based entirely on their child’s schedule.

- The overall average for Massachusetts workers is 1.59 days of unscheduled absences.

- Working parents with children under 6 earn $31.9 billion in Massachusetts annually. Those with children under age 6 earn $3.5 billion every year in the state.

- Nearly one-quarter of Massachusetts workers—909,000 labor force participants—has a child under 18. One in ten workers has a child under age 6.

- One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. “This return is too good to pass up—not only for the children but also for the taxpayers,” wrote one of the authors of this Federal Reserve Bank analysis.

- Recruitment of a skilled labor force is one of the major demands of our economy.”
Child care and early education is a significant industry in Massachusetts.

When Preparing Children for Success, Quality Matters

- Young children, particularly low-income children, in higher quality preschool settings, are better prepared for kindergarten than children in lower quality settings.
- Children in quality after-school settings are more likely to stay in school, have higher career aspirations, and join the labor force as adults than peers who do not participate in after-school programs.

A recent study of Massachusetts' child care and early education settings suggests that quality could be enhanced through better wages and benefits for child care and early education professionals, more education for those in the field, and continued program accreditation.

Investing Taxpayers' Money Wisely

- The majority of children in the state live with working parents and are in some form of care outside the home (See Figure 3).
- Quality programs, particularly for low-income children, decrease the risk of costly negative outcomes, such as special education enrollment, juvenile delinquency, adult incarceration, and welfare participation. This, of course, saves government money.
- One model early childhood program for low-income children generated an overall 16 percent rate of return, of which 12 percent was a public rate of return. "This return is too good to pass up—not only for the children but also for the taxpayers," wrote one of the authors of this Federal Reserve Bank analysis.

The child care and early education industry enables businesses to attract and retain employees, reduce absenteeism, and increase productivity.

- Working parents with children under 18 earn $31.9 billion in Massachusetts annually. Those with children under age 6 earn $13.1 billion every year in the state.
- Problems for working parents affect significant portions of the labor force. One in four Massachusetts workers—909,000 labor force participants—has a child under 18. One in ten workers has a child under age 6.

- Child care and early education benefits reduce turnover by an average of nearly one-half, a significant sum because employee turnover is estimated to cost 1.5 times an employee’s salary. The Staples Child Care Center in Framingham has been a major asset in attracting and retaining employees, according to Staples President and CEO Ron Sargent.

- Recruitment of a skilled labor force of young professional families, especially in targeted growth areas, such as the high- and bio-technology industries, is enhanced with quality, affordable, accessible child care and early education.

- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).

- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 per employee, and large companies an average of $3.6 million each, are decreased with good child care and early education. Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.

- Working parents with children under 16 earn $31.9 billion in Massachusetts annually. Those with children under age 6 earn $13.1 billion every year in the state.
- Problems for working parents affect significant portions of the labor force. One in four Massachusetts workers—909,000 labor force participants—has a child under 18. One in ten workers has a child under age 6.

- Child care and early education benefits reduce turnover by an average of nearly one-half, a significant sum because employee turnover is estimated to cost 1.5 times an employee’s salary. The Staples Child Care Center in Framingham has been a major asset in attracting and retaining employees, according to Staples President and CEO Ron Sargent.

- Recruitment of a skilled labor force of young professional families, especially in targeted growth areas, such as the high- and bio-technology industries, is enhanced with quality, affordable, accessible child care and early education.

- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).

- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 per employee, and large companies an average of $3.6 million each, are decreased with good child care and early education. Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.

The child care and early education industry enables businesses to attract and retain employees, reduce absenteeism, and increase productivity.

- Working parents with children under 18 earn $31.9 billion in Massachusetts annually. Those with children under age 6 earn $13.1 billion every year in the state.
- Problems for working parents affect significant portions of the labor force. One in four Massachusetts workers—909,000 labor force participants—has a child under 18. One in ten workers has a child under age 6.

- Child care and early education benefits reduce turnover by an average of nearly one-half, a significant sum because employee turnover is estimated to cost 1.5 times an employee’s salary. The Staples Child Care Center in Framingham has been a major asset in attracting and retaining employees, according to Staples President and CEO Ron Sargent.

- Recruitment of a skilled labor force of young professional families, especially in targeted growth areas, such as the high- and bio-technology industries, is enhanced with quality, affordable, accessible child care and early education.

- Nearly one-quarter of parents across all income brackets with children 12 and younger have lost or quit their jobs due to child care difficulties (See Figure 4).

- The expense of unscheduled absences, which cost small businesses an annual average of $50,000 per employee, and large companies an average of $3.6 million each, are decreased with good child care and early education. Nearly one-quarter of unscheduled absences are due to family issues, including child care needs.
The Economic Impact of the Child Care and Early Education Industry in Massachusetts

The National Economic Development and Law Center (NEDLC), with a grant from the W.K. Kellogg Foundation, is working with states across the nation to produce reports and recommendations on the economic impact of the child care and early education industry. These reports articulate child care's and early education's economic development terms and quantify the ways in which the industry is critical to the state's economy. In addition, these reports help build local partnerships that increase child care and early education industry's capacity to respond to the shifting child care needs of America's families.

For the Massachusetts report, NEDLC partnered with the Massachusetts Department of Education Division of Early Learning Services (www.doe.mass.edu) to form an Advisory Board of Massachusetts statewide leaders in the fields of business, government, child care and early education, and economic development.

To benefit every Commonwealth resident, businesses, government, and the child care and early education industry must work together to:

- Incorporate child care and early education formally as an economic development component in state and local planning
- Create incentives for employers to promote and support the child care and early education industry
- Promote increased quality in the child care and early education industry
- Increase accessibility to quality programs

Regional Planning Councils can include child care and early education in community revitalization plans.

Government leaders and elected officials can create public-private partnerships.

Government leaders can create incentives to make getting a higher education degree more economical for child care and early education professionals.

State / higher education institutions can create an accessible professional development system.

Government leaders can expand existing initiatives or create new programs to increase professional earnings and health care benefits.

Government leaders can increase funding to reimbursable programs for low-income children at a higher rate.

Government leaders can increase funding to eliminate waiting lists for low-income families.

This publication, The Economic Impact of the Child Care and Early Education Industry in Massachusetts was written by NEDLC, with State Trail and Jim Wolf, and edited by Perri gaze Freire-Exeter. Other contributors include the Advisory Board to the report:

- Lisa Richard, Department of Education
- Marcia Rosa, Child Care Resource Center, Inc.
- Jason Sachs, Massachusetts Department of Education
- John Schenker, MassINC
- Elisabeth Schaefer, Massachusetts Department of Education
- Jack Shonkoff, Heller School of Social Policy and Management, Brandeis University
- David Stowe, Federation of Community Action Agencies
- Rod Southwick, Office of Child Care Services
- Carl Sussman, Child Care Capital Investment Fund

The Economic Impact of the Child Care and Early Education Industry in Massachusetts

The publication was made possible through the generous financial support of the W.K. Kellogg Foundation. For a full copy of the report, please visit www.nedlc.org.
To benefit everyone in Massachusetts, businesses, government, and the child care and early education industry must work together to:

- Incorporate child care and early education formally as an economic development component in state and local planning.
- Create incentives for employers to promote and support the child care and early education industry.
- Promote increased quality in the child care and early education industry.
- Increase accessibility to quality programs.

**Government**

- Regional Planning Councils can include child care and early education in community revitalization plans.
- Government leaders and elected officials can tender public-private partnerships.
- Government leaders can invest in public funds in scholarships, loan forgiveness programs, and warrant incentives to make getting a higher education degree financially feasible for children.
- Higher education institutions can create an accessible professional development system.

**Business**

- Business leadership groups can analyze the child care needs of employees and invite other child care and early education stakeholders to plan with them to meet those needs.
- Business leaders can initiate public-private partnerships to engage in short- and long-term community child care and early education planning.
- Business leaders can advocate for economic development activities and funding that ensure child care and early education needs are met.
- Business partnerships can maximize investment impacts and reduce costs by pooling funds.
- Business leaders can implement successful child care and early education programs that can act as anchors within the business sector.
- Business leaders and membership organizations can advocate for quality standards and incentives to improve quality.
- Business decisions can ensure that quality child care and early education is accessible to employees at all pay levels.

**Child Care and Early Education Industry**

- Child care and early education professionals can join state and local planning boards.
- Industry professionals can access technical assistance, training, loan products, and other resources from the Small Business Development Corporation and the Small Business Administration.
- Industry infrastructure leaders, such as the Office of Child Care and Early Education’s Referral Network, and Community Partnerships for Children can distribute literature and educate families about the importance of quality child care to identify quality programs.
- Infrastructure leaders can provide local information to employers about child care and early education resources and needs.
- Establishments can achieve and maintain accreditation or other standardization indicators.
- Infrastructure leaders can encourage professionals to further their education in the field.

**Regional Planning Councils**

- These reports articulate child care and early education in economic development terms and quantify the ways in which the industry is critical to the state’s economy. In addition, the reports help build local partnerships that increases child care and early education industry’s capacity to respond to the shifting child care needs of America’s families.

For a full copy of the report, please visit www.doe.mass.edu or www.doe.mass.edu. This publication, The Economic Impact of the Child Care and Early Education Industry in Massachusetts, was written by NEDLC under a grant from the W.K. Kellogg Foundation with a team of academics and practitioners led by University of Massachusetts, Amherst. It was written by NEDLC with a grant from the W.K. Kellogg Foundation. In turn, it taps these reports into the nation to produce reports and recommendations on the economic impact of the child care and early education industry. These reports articulate child care and early education in economic development terms and quantify the ways in which the industry is critical to the state’s economy. In addition, the reports help build local partnerships that increases child care and early education industry’s capacity to respond to the shifting child care needs of America’s families. For the Massachusetts report, NEDLC partnered with the Massachusetts Department of Education Division of Early Learning Services (www.doe.mass.edu) to form an Advisory Board of Massachusetts statewide leaders in the fields of business, government, child care and early education, and economic development.

**Acknowledgments**

This publication, The Economic Impact of the Child Care and Early Education Industry in Massachusetts, was written by NEDLC and sesame Trail and Jan Wolf, and edited by Patricia Gill Evans. NEDLC’s contributors include:

- Benet Brown, Program Specialist
- Conlan Hughan, Vice President
- Marie Kasetta, LAV Administrator

Other contributors include the Advisory Board to the report:

- Alice Benton, Massachusetts Department of Education
- Roger Brown, Bright Horizons Foundation
- Lynne Brown, Federal Reserve Bank, Boston
- Jennifer Canders, Center for Education Research and Policy, Mass/NAC
- Dave Dosini, Massachusetts Department of Administration and Finance, Office of Brain Researcher Stephen LaCasse
- Carol Goldstein, The KRCV Group, LLC
- Janet Green, Executive Director Children’s Aid Society
- Paul Guzzi, Boston Chamber of Commerce
- Sue Hallock, Massachusetts Child Care Resource and Referral Network, Inc. and Investing in Children
- Jennifer Handy, Massachusetts Association of School Committees
- Linda Heer, NEDLC
- Grant Keating, Massachusetts Association of School Committees
- Doug Lanham, Women’s Education & Industrial Union
- Megan Leonard, Project Hope
- Kathleen McCarthy, Harvard University Graduate School of Education
- Asia Miranda, Acro Family Day Care
- Esther Pols, Administrative Assistant
- Hermione Ramos-Ramos, Intern

This publication was made possible through the generous financial support of the W. K. Kellogg Foundation. For a full copy of the report, please visit www.nedlc.org or www.doe.mass.edu.