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child care and the new economy

Part 2 — The future of the early childhood profession

by Roger Neugebauer

“In my first career as a lawyer/economist I learned that the principle author of most economic forecasts is a lady we called ‘Rosy Scenario.’” With this caution provided by John Surr, *Exchange* has embarked on an analysis of what the future holds for the early childhood profession. In our September/October issue we analyzed trends in business and society and identified three pillars of the new economy.

After this article was published we asked readers to share their views on what these changes mean for the world of early childhood. In the following pages we will summarize respondent’s views. Not surprisingly, since most of us are still scratching our heads trying to figure out where this is all headed, there are lots of strong opinions, but not a lot of consensus.

The future demand for early childhood services

Taking a look at demand as we come out of the current downturn, readers see a number of changes ahead:

“The demand will grow, but change. Work hours are shifting; more and more employees are working odd hours and from home. So I think there will be less

demand for child care services to cover a regular, 9-to-5 workday. What is likely to grow is part-day, structured ECE linked with family, friend, and neighbor care.”

— **Louise Stoney**, *Alliance for Early Childhood Finance, Lake Worth, Florida*

“The demand for ECE will continue, however, the focus may be on 0-3, as free pre-K services increase. There is still a need for care beyond the 3 hours of pre-K — and this is where the worry comes. Parents may assume their children are getting all the ‘learning’ they need during pre-K, and only want babysitting afterwards. There are some ECE teachers who think that is okay; who think they are not teachers, but babysitters anyway. That’s a major problem. We also need a campaign against ‘wrap-around’ care, since four year olds have a hard time transitioning. Let the teachers move from building to building; not the children.” — **Dana Friedman**, *The Early Years Institute, Plainview, New York*

“We need to remember that beyond the current economic crisis that child care and early education are powered by key social trends that transcend any shorter term cycle. Among the key factors that will contribute to the continued demand for quality, affordable child care and

early education are: 1) the permanent demographic change to the American workforce with respect to the equal participation of women and dual working parents; 2) the continued acknowledgement in our society of the benefits of a quality early education to a child’s future success in school and life; 3) the rising age of college educated parents having children, thus creating a more discerning and wealthier consumer of early education, not to mention a more valuable contributor to our economy/society and to their employer; 4) the continued acknowledgement of the role that quality child care plays to the long-term success of business; 5) the sheer lack of supply of infant and toddler spaces in most communities. . . . Going forward, we are fortunate that quality early childhood education will continue to be in demand and, unlike many fields who rightly fear becoming extinct due to innovation or outsourcing, ours is an intensely human service that will forever be pushed to produce and sustain quality.” — **Dave Lissy**, *Bright Horizons Family Solutions, Watertown, Massachusetts*

“The need for excellent early childhood education settings will increase dramatically for several reasons: 1) Most millennials . . . grew up in early child-

hood settings and with working mothers. They are familiar with this concept and have embraced it. 2) To maintain their lifestyles, these young couples will need a two income household.” — **Mila Neuman**, *Kare-a-lot Child Care Center, Columbus, Ohio*

“Middle class families will continue to live on tight budgets and utilize early learning less and less due to the oppressive costs of child care and early learning programs.” — **Suzette Espinoza-Cruz**, *Seattle Human Services, Seattle Washington*

“For some time, perhaps even years, to come, there will continue to be painful economic adjustments affecting child care providers, even in an economic upswing. With less career continuity in the general population, more retired grandparents looking after children, and more telecommuting and home-based consulting jobs, we may find demand shifting to less full-week or full-day care. Government funding at all levels is under a severe squeeze between mounting costs and an unwillingness to raise taxes. Child care depends on governments to fill a significant part of the gap between what the parents can pay and what children need in high quality child care. We need to fight for what we have now, while continuing to raise consciousness about the growing gap between children’s needs and the resources devoted to meeting them, as a foundation for advocacy to promote greater public financial involvement in child care’s (and children’s) future growth.” — **John Surr**, *CEASE, Bethesda, Maryland*

The workforce of the future

Respondents are not optimistic about there being a flood of new workers into our profession, but do tend to agree that in the future there will be a growing demand for well trained professionals:

“The ECE workforce will grow, but it will look different. With quality rating

systems increasing, the demands on staff will increase to have more training and provide higher quality care.” — **Dana Friedman**

“If we define the term ‘ECE workforce’ broadly — to include anyone who is working in early learning — then I think it will grow. But I think there is going to be a growing demand for certified professionals in the formal, structured ECE setting (as pre-K funding grows.) However, I also think there will be a growing demand for para-professional, as well as family, friend, and neighbor care (FFN) providers in informal settings to cover the flexible work hours of families. Thinking strategically about intentional links between the two is very important. I also think it is time for our field to think about parents as ECE caregivers, and to include them in the mix. Families need and want time at home with their children; they want the time and financial support needed to partner with formal ECE providers in providing early care and education. . . . Bottom line: the United States needs to embrace family leave and family-friendly workforce reforms (e.g., length of work day, workplace expectations, flextime, job sharing, high quality part-time jobs with benefits, etc.) as part of the ECE agenda. And ECE advocates need to recognize that these reforms are as important as funding for ECE services and initiatives.” — **Louise Stoney**

Changing parent expectations

By all accounts consumers will be more value-conscious, more careful in their purchasing going forward. Respondents reflect on what this may mean for the early childhood world:

“I am hopeful that, at least for some period of time, families will be more conscious about how they spend their more limited resources. With the increasing realization that the most important investment a family can make is in the

education of their child, particularly in early childhood education, I expect parents to raise their expectations for care and education, become even more discriminating when it comes to selecting a program, and less tolerant of lack of quality. If they abandon conspicuous consumption for true value, additional resources should be available to provide the best early learning experience for their child. This creates significant opportunities for the stronger operators and those who have the resources and the commitment to continuously re-invest in their programs and people and meet the enhanced expectations of our families.” — **Elanna Yalow**, *Knowledge Universe, Portland, Oregon*

“Savvy child care providers will look to deliver more perks to attract parents. But low-income families and families in rural areas — those won’t be there. I’m afraid that quality will decrease as people just struggle to provide basic, no-frills care. The cost of providing care is just too high.” — **Kayren Woolem**, *NOCAC, Defiance, Ohio*

“We continue to hear mention of the propensity of technology that our current parent base uses for communication. Just as ‘we who came before’ (Boomers and Gen-Xers) were defined as the TV generation, who began the process of receiving news and other communication through the television, mandated change in the external environment and media, now we are at the point of change again already. The millennial parents certainly have digital communication in common. Many of us have paid attention to the immediacy and accessibility of the digital world of information, and are making plans to take advantage of these tools. In doing so, we will call into question the types of ‘discussions’ we will now be having with colleagues, partners, and most important, the families that we serve. Many of these modalities continue and will exacerbate the need for skilled bullet point communication, that type

of short attention span convention that defines so much of the modern day communication. As a rule, our profession has not been very good at editing down our speech. We have tended to make larger conversations, when shorter discussions and simpler points would serve us better. Not every conversation is a teachable moment for developmentally appropriate practice, quality, or any of the other mantras we continue to espouse (NOT that they are not essential to what we do). We are going to have to learn to structure our communication modalities and messages in a more streamlined manner.” — **Bob Siegel**, *Easter Seals Children’s Services, Chicago, Illinois*

“High teen birth rates create parents desperate to find any kind of care; quality doesn’t enter into the equation. Parents have only two questions of providers: Do you have space for my child, and how much do you charge? A couple of years ago a center director told me a chilling story of a parent who called and wanted to enroll her school-age child over the phone and have the center’s van pick the child up after school that afternoon. The parent had never seen the facility or met the staff, and she was expecting them to find her child at the school, pick him up, and transport him to the center. The director refused, but I think this illustrates the desperation some parents feel about finding care for their child on short notice.

“I also see in Oklahoma a gravitation of parents to facilities that are socially congruent (poor people go to facilities where other poor people take their kids; rich people take their kids to the same facilities where their social peers take theirs).” — **Dale Wares**, *Oklahoma Child Care Services, Oklahoma City, Oklahoma*

“There needs to be a more informative way both new and experienced parents can be made aware of the availability and locations of quality licensed child

care.” — **Crystal Skinner**, *Crystal Skinner Child Care, Plymouth, New Hampshire*

“The whole field needs to address the poor quality that exists in many programs. This will be easier since many of them will be identified in the quality rating system. When the economy improves, the incentives to participate in quality rating will increase, and 1- and 2-star programs will be identified and start getting the T.A. and support they need to improve. Exemplary employers will continue to address ECE, but the focus will also be more on flexibility and leave and 0-3 supports. The companies that employ low-wage workers, who have the hardest time affording care and finding it during the hours they need it, may still be less likely to support the child care needs of their employees. A special push is needed to reach these employers and make sure they include ECE support for their workers. Expectations on providers will change with the demands of young parents today, technology and social networking, pre-K, and quality rating. The field needs to own up to the poor quality of many programs — in every setting: centers, family child care, Head Start, and pre-K. With the national focus on ECE, perhaps we can generate the revenue they need to improve. Local community councils, like Smart Start has, can also help if the entire community is focused on improving the supply and quality of ECE programs.” — **Dana Friedman**

Structural changes required

From 1970 through 1990 the child care delivery system increased dramatically, but did not undergo any significant structural changes. Starting in 2000 with the introduction of programs such as pre-K funding and quality rating systems, the landscape of the industry is starting to shift. Now as we confront the changes in the overall economy, our readers shared what additional changes they expect:

“I think in the next 5-10 years we will not see a lot of change. There are only so many ways to deliver child care — you can’t do it online!” — **Kayren Woolum**

“Work and work family stress will continue to increase in an environment marked by rapid technological changes that create as much stress in a 24/7 world as it does increase productivity; less face-to-face and more point-to-point communication via technology; stagnating wages and compensation in the middle; growing gap between new values of the millennials and all of the above. A second trend will evolve around the developing social networking that is defining communications and technology of our world. This could be a great positive as we figure out how to harness and utilize this technology to link our common concerns, needs, experiences, and interests around core issues in child care.” — **Bradley Googins**, *Boston College, Chestnut Hill, Massachusetts*

“Even up until now, the strength of relationships and personal atmosphere have always been valued. Programs need to be responsive to the individual needs of the children, families, and communities they serve. . . . Whether parents were considering a single center or one that was part of a regional or national chain, the selection of a center has always been a very personal one, most often based on the relationships among the center director, staff, and family and, of course, the quality and affordability of the program. I don’t believe that dynamic has or will change much. However, while there are extremely talented smaller operators with strong faculty and programs, the larger operators will continue to have a strong competitive advantage in their ability to leverage significant investments in curriculum, professional development, technology, equipment (the advantage of purchasing power), facilities, and,

yes, innovation (in part by sharing best practices across the organization)."

— **Elanna Yalow**

"Our centers will be moving further away from the single payer source model. We will see fewer instances of a center for (just) low-income families; half-day Head Start; only parent fees; or even solely corporate funded. While there will be many instances of these historical models of single-source funding, our centers will be moving toward examples of a diversified portfolio of slot revenues. This will necessitate many ECE leaders slowly letting go of long held ideas of how we put together programs, and one of the delightful results of this change will be the a variety of new and different community partnerships that will evolve. Some of these new program models will be created to also respond to the workforce challenges. I have little doubt that the staffing crisis will return full-force as the recession eases and people return to working in industries other than child care.

"The financial pressures that our industry has operated on since its beginning expansion two generations ago will finally begin to demand changes for the people managing our programs. This is where the larger for-profit providers have gained an edge in the way they are able to train and prepare center directors and other managers for the business aspects of the job. We've seen a transition in the amount of time and energy that the on-site program manager must spend on business realities vs. acting as the educational leader for the school. My feeling is that this increase in attention paid to center finances has, and will continue to increase as time goes on. Now, we are challenged by the world's financial realities; later we will continue to be challenged by the competition in the marketplace. There is a need for a business development center concept that will truly train and support our Early Care and Education managers,

especially for the independent and smaller organizations." — **Bob Siegel**

"There are several freight trains in the ECE field which may or may not lead to structural change. Whether they collide or converge will be determined by our ability to create effective policy; discern what's working and which innovations are important; and package public and private investments for child care businesses and systems with growth potential.

"One freight train is the materialization of quality rating improvement systems. Another is the emergence of publicly funded preschool. Third is a growing private-sector awareness about return on investment (ROI), including investing in children at the earliest ages. A fourth freight train is the emergence of sophisticated non-profit financial intermediaries. These innovative organizations can build effective, accountable public and private partnerships for investment in low- and moderate-income communities.

"Effective policy can help increase the child care subsidy families receive and can also incentivize behavior of public and private investors. If policies can incentivize massive investment in first and second homes, then they can also effect investment in quality rating improvement systems via tax credits for individuals and corporations. Louisiana has taken a great step in this direction.

"Controversial policy issues will need to be confronted in order to create structural change. For example: Does distributing over half of existing subsidy to unlicensed child care make sense? ROI research shows that high-quality, licensed care for low-income families offers the greatest return. Structural change will mean policy shifts for quality care, quality facilities, and quality management practices and leadership. . . .

"Let's look to affordable housing, community development finance organizations, and to the private sector for models. When it comes to child care, perhaps we can even trade in the old trains for a more coherent and efficient light rail system." — **Jerry Cutts**, *First Children's Finance*, Minneapolis, Minnesota

"Over the last several decades large for-profit child care center businesses changed the landscape of what was, and for the most part still is, a cottage industry. Today the largest share of over 125,000 child care center businesses in the U.S. are still made up of small, independent ownership. The current recession, limited cash reserves, the tight credit markets, limited IPOs, and angel investors will affect future large acquisitions. Growth for large for-profit center business will slow substantially for the foreseeable future. But when investment capital starts to flow again — projected to be in two or three years — the ECE market will be primed for takeover by the larger for-profit corporations. Limited growth will be felt with the mid-size center businesses also. Perhaps the more creative ownership transactions will come about through partnership agreements struck with small centers owners who find themselves in financial peril. Small single-centers will suffer the most, facing declining enrollment and cash flow. To survive they'll need to sharpen their business skills, increase the use of technology, and outsource those operations they lack the skills for in order to survive these rough times. More emphasis on better-managed, profitable, business models will come about." —

Paul Axtell

Whither the curriculum

Not only will the marketing and management of centers be impacted by the new economy, programs will also need to be attentive to what skills and dispositions the future citizens of our society will require.

“Scientific research will continue to show the importance of early stimulation in the development of the brain and the need to use our brains in more creative and efficient ways. Early childhood education settings will have to provide these very stimulating and challenging and fun environments. To remain competitive in this world economy, our work force will need to be more creative and more innovative. Children need to be in places at an early age that help them become that.” — **Mila Neuman**

“In the future, parents will be more educated about what they want their children to learn. There will be more concentration on social issues — how do our children learn about the planet, what is a carbon imprint? The social and technical knowledge will increase awareness, information will be viral. However, the new generation will find the balance between the green movement and the technical movement. Curriculums will be revised to address these changes. There will be more emphasis on math and science skills in an age appropriate manner. Our challenge will be to ensure children are given the chance to learn through play which will prepare them for the future!” — **M. King**, *Elder Elders Care Inc., Deer Park, New York*

“I predict more dependence on government support for programs and a serious reduction in opportunities for private enterprise to provide services for young children. This will lead to more control from the top down, and more regulations that are likely to be pushed by public school-oriented educators who are not well schooled in a realistic, developmental approach to young children. The focus is likely to be on ‘teaching children’ instead of on ‘what is this individual child ready to come to understand.’ Too bad — the wonderful years of looking at children from what Erikson, Piaget, and Vygotsky taught us, and going back to ‘instruction’ of information and away from ‘construction’ of

knowledge. It will mean more government controlled guidelines and teaching to the future testing. Really a step back to what has not worked in the past.” — **June Sciarra**, *Cincinnati Ohio*

“In the United States, for decades early education professionals have been advocating for a spot at the broader education discussion knowing that their work impacts children at a fundamental age. In today’s economy, given the focus of many families on the world their children will grow up in, the political discussion should result in more investment being made to create the educational experience needed for them to compete with children in other industrialized and emerging nations.” — **Ty Durekas**, *Childrens’ Creative Learning Centers Inc., Sunnyvale, California*