

PRIVATE ENTERPRISE IN AMERICAN EDUCATION



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SPECIAL REPORT 6

Unequal Access

Hidden Barriers to Achieving Both Quality and Profit in
Early Care and Education

Todd Grindal | June 2012

Foreword

For decades, for-profit educational provision has been merely tolerated, often grudgingly. In the world of charter schooling, for-profit providers are lambasted and sometimes prohibited. In higher education, for-profit institutions have grown rapidly, enrolling millions of nontraditional students and earning enmity, suspicion, and now investigative and regulatory actions from the federal government. When it comes to student lending, teacher quality, and school turnarounds, there is a profound preference for nonprofit or public alternatives. All of this is so familiar as to be unremarkable.

The problem is that K–12 and higher education are desperately in need of the innovative thinking and nimble adaptation that for-profits can provide in a landscape characterized by healthy markets and well-designed incentives. As critics have noted, for-profits do indeed have incentives to cut corners, aggressively pursue customers, and seek profits. But these traits are the flip side of valuable characteristics: the inclination to grow rapidly, readily tap capital and talent, maximize cost effectiveness, and accommodate customer needs. Alongside nonprofit and public providers, for-profits have a crucial role to play in meeting America’s twenty-first century educational challenges cost-effectively and at scale.

However, we rarely address for-profit provision in this fashion. Most statutory and regulatory discussion focuses on how to rein in for-profit providers, largely ignoring what it would take to harness the potential of such providers while establishing the incentives and accountability measures to ensure a level, dynamic, and performance-oriented playing field.

AEI’s *Private Enterprise in American Education* series is designed to pivot away from the tendency to reflexively demonize or celebrate for-profits and instead understand what it takes for for-profits to promote quality and cost effectiveness at scale. In this sixth installment of the series, Todd Grindal of the Harvard Graduate School of Education calls attention to barriers hidden within the early childhood education market—barriers that make it difficult for providers to achieve both profit and quality. Grindal argues that our nation’s early childhood education policy often incentivizes for-profits to sacrifice program quality to compete with heavily subsidized nonprofits or deregulated mom-and-pop providers. State leaders and policymakers can take steps to promote quality and efficiency in early childhood education, writes Grindal: “Must the convenience and flexibility of for-profit ECE necessarily come at the expense of quality? No. To maximize the potential of private enterprises to support the needs of young children and their families, parents must be given the tools to better observe the most important elements of program quality. Moreover, public policies must provide all programs—public, for-profit, and private nonprofit alike—with equitable levels of oversight and support.”

I am confident that you will find Grindal’s piece as eye-opening and informative as I have. For further information on the paper, Todd Grindal can be reached at tag844@mail.harvard.edu. For other AEI working papers in this series, please visit www.aei.org/policy/education/private-enterprise/. For additional information on the activities of AEI’s education policy program, please visit www.aei.org/hess or contact Lauren Aronson at lauren.aronson@aei.org.

—FREDERICK M. HESS
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Executive Summary

Today, more than 12 million (or 62 percent of) US children under five years old are regularly cared for by someone other than a parent. From a policy perspective, early care and education programs for children from birth to age five serve two broad purposes: they help children develop in ways that support the skills and habits of mind essential to later school achievement and economic success, and they facilitate parents' participation in the workforce by providing care for children during business hours. Public-sector entities such as public schools and state prekindergarten programs are often able to meet the first of these purposes. Yet, public-sector programs are often less able to meet parents' employment-related child care needs, and these programs often do not have the capacity to serve the millions of families of children three years old and younger.

Private enterprise is critical to filling these gaps. For-profit early childhood education (ECE) programs rapidly adapt to the employment-related needs of families by offering extended hours or convenient work-site locations, and provide much-needed access to care for parents who work outside the home—particularly for parents with children under age three and those who work nonstandard hours. Yet, the for-profit model may fall short in preparing children for school success. To maximize the potential of private enterprises to support the needs of young children and their families, parents must be given the tools to better observe the most important elements of program quality. Moreover, public policies must provide all programs—public, for-profit, and private nonprofit alike—with equitable levels of oversight and support.

Bridges and Barriers: Private Enterprise and the Expansion of Public Early Care and Education. The low level of regulations for informal care combined with the increasing number of public schools and state prekindergarten programs offering free and reduced-cost options for three- and four-year-old children has the potential to squeeze for-profit providers out of the market. On the one hand, it is difficult for formal for-profit centers to compete with free or reduced-cost public options for four-year-olds. On the other hand, it is difficult for formal for-profit centers to compete with low-cost, unregulated, informal home-based providers for younger children. In the current child care marketplace, for-profit programs therefore seem to have two basic choices: (1) they can forgo public funding and compete directly with the public-sector programs by providing an alternative product, or

(2) they can partner with the public sector to provide publicly funded care to young children.

Information Asymmetry: Can Parents Accurately Assess a Program's Quality? The early care and education marketplace provides a unique look at the benefits and challenges of permitting private enterprise to participate in the delivery of public education. Through innovative strategies—such as partnering with employers to create on-site programs, experimenting with unique pedagogical approaches, and providing flexible programming to meet the changing needs of families—for-profit entities have provided parents with the choice and flexibility to manage their professional and family lives. Yet, because parents are often unable to effectively discern program quality, some providers may not invest in some essential but disguised elements of program quality.

Moving Forward: Recommendations for Policy and Practice. Policymakers should take two steps to help promote quality among all providers in the early child care space. First, they can provide parents with a clearer picture of program quality through quality ratings systems (QRS), which can be connected to systems of tiered reimbursement by which programs that receive public funds are paid at higher rates for demonstrating higher scores on QRS indicators. By providing child care programs with clear financial incentives to improve quality and by helping parents become more informed consumers, QRS will encourage providers of all types to focus on the aspects of program quality most important for children's health and development.

Second, policymakers should provide equitable oversight and support for all caregivers of infants and toddlers. State oversight of formal and informal early care and education programs is often uneven. This regulation imbalance between large and small providers allows some home-based providers to operate at lower costs than formal providers and jeopardizes the healthy development of children in these lower-cost, lower-quality programs. This bias toward small providers makes it difficult for successful, innovative, for-profit providers to grow their programs to serve a larger number of children and to maintain quality of care. Child care regulations provide important safeguards for young children and have far-reaching implications for children's development. States should therefore work to apply uniform standards to all those who care for children, regardless of program auspice or size.

Unequal Access

Hidden Barriers to Achieving Both Quality and Profit in Early Care and Education

Todd Grindal

Introduction

Children's early experiences can have a profound impact on their subsequent academic achievement, physical and mental health, and success in the workforce.¹ High-quality early care and education programs can help children and families take advantage of this developmentally sensitive period and can yield short and long-term benefits for children and society. However, the potential positive benefits of early childhood education are contingent upon children's attending high-quality programs, and many child care programs in the United States, regardless of their tax status, fail to meet that bar.²

As previous papers in this series have noted, US public policies generally limit for-profit companies' participation in the provision of public K–12, vocational, and higher education.³ Although this skepticism of for-profit providers can also be seen in some publicly funded early care and education programs, private enterprises are key partners of many of these programs. For example, state and federal policies permit parents to use public funds to attend for-profit early childhood education (ECE) programs through Childcare and Development Fund (CCDF) programs or the Child and Dependent Care Tax Credit (CDCTC). Furthermore, nearly all of the public prekindergarten programs now operating in the forty US states that have them allow for at least some participation by for-profit child care providers.

From a policy perspective, early care and education programs for children from birth to age five serve two broad purposes. First, they help children develop in ways that support the skills and habits of mind essential to later school achievement and economic success. Second, they facilitate parents' participation in the workforce by providing care for children during business hours. Public-sector entities such as public schools and state prekindergarten programs are often able to meet the first of these purposes. A growing body of evidence from quality

public prekindergarten programs in places like Tulsa, Oklahoma, and Boston, Massachusetts, indicate that public entities like traditional public and charter schools are well positioned to support the developmental needs of four-year-old children. Yet, public-sector programs are often less able to meet parents' employment-related child care needs, and these programs often do not have the capacity to serve the millions of families of children three years old and younger.

Private enterprise is critical to filling these gaps. For-profit ECE programs rapidly adapt to the employment-related needs of families by offering extended hours or convenient work-site locations, and provide much-needed access to care for parents who work outside the home—particularly for parents with children under age three and those who work nonstandard hours. Private enterprises are flexible and convenient and are well-positioned to support parents' employment-related child care needs. Yet, the for-profit model may fall short in preparing children for school success. Research conducted in the 1980s and 1990s suggested that, although quality varied substantially from one for-profit early care and education program to another, on average, for-profit programs ranked below public and nonprofit programs on many indicators of program effectiveness.⁴

Despite the fact that this research is nearly two decades old, these findings nevertheless continue to fuel concerns about the role of private enterprise in early care and education. There are a number of plausible explanations for why researchers have found differences in the quality of for-profit ECE programs and their public and private not-for profit counterparts. Caring for young children is an expensive endeavor. In most areas of the United States, basic health and safety regulations limit the number of children who can be cared for in a given space and by a given number of adults. Although unable to control these regulations, child care programs interested in maximizing profits can either generate more revenue through higher tuition or reduce costs by paying lower salaries to their workers. With tuition costs already higher than many families can bear, profit-oriented programs

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might choose to pay staff as little as possible, thus attracting low-skilled, poorly prepared adults to teach.⁵

Another potential explanation for these differences in quality is that many child care programs concentrate on aspects of program quality that can be easily observed by potential customers. In general, parents must make decisions about whether to enroll their child in a particular child care program based on limited information. Parents can readily see if the facility is clean, safe, and staffed by caring teachers. Those parents who choose to look more closely might also observe important structural quality indicators such as the child-to-teacher ratio or the number of books in the classroom.

But even the most thorough and conscientious of parents would likely unknowingly overlook the more important indicators of quality such as the day-to-day interactions among children, teachers, and instructional content. Economists refer to this dilemma as “information asymmetry.”⁶ Program operators may be able to gauge the quality of all aspects of the care they provide, but parents cannot. If parents are unable to make purchasing decisions based on a complete picture of quality, it makes little financial sense for child care providers to invest in the types of costly, ongoing professional development necessary to improve performance on these hidden quality indicators. Although this information asymmetry exists throughout the child care sector, there is some evidence that the problem may be more acute in for-profit programs.⁷

Must the convenience and flexibility of for-profit ECE necessarily come at the expense of quality? No. To maximize the potential of private enterprises to support the needs of young children and their families, parents must be given the tools to better observe the most important elements of program quality. Moreover, public policies must provide all programs—public, for-profit, and private not-for profit alike—with equitable levels of oversight and support.

In this paper, I discuss the role of private enterprise in the early care and education of children in the United States. I begin by presenting research detailing the importance of quality early care and education for children, families, and society. I subsequently outline how changes in employment patterns and public policies have shaped the child care marketplace in the United States over the last seventy-five years. I then discuss how for-profit companies have responded to these changes and provide examples of how private enterprises currently participate in publicly funded systems of early care and education. I likewise present research from the 1980s and 1990s on

the strengths and weaknesses of for-profit programs before suggesting how parents, policymakers, and providers can improve access to high-quality child care by maximizing the strengths and minimizing the weaknesses of for-profit child care.

Why Should We Care about Child Care?

The science is indisputable: the years from birth to five represent a uniquely sensitive period for the development of children’s long-term cognitive, physical, and emotional capacities. The character of children’s experiences during this period profoundly influences their subsequent development. Four decades of research provide strong evidence of a relationship between early experiences and later academic achievement, as well as physical and mental health.⁸ Many children in the United States spend a substantial proportion of their critical early years in early care and education programs. Today, more than 12 million US children (or 62 percent of all children) under five years old are regularly cared for by someone other than a parent. Of the young children who are enrolled in non-relative child-care programs, most spend approximately thirty-two hours each week in these settings.⁹

Child care programs have, in some cases, shown a remarkable capacity to improve short- and long-term results for children across a variety of outcomes related to school success. In the 1960s and 1970s, experimental studies of the Perry Preschool and Abecedarian programs demonstrated that intensive, high-quality preschool programs could dramatically improve the later academic achievement and long-term economic productivity of low-income children. More recently, quasi-experimental studies of larger-scale school-based preschool programs for four-year-old children in Tulsa and Boston have demonstrated that preschool can have an impact on the school readiness of low-income and non-low-income children alike.¹⁰

A key finding of early education research is that only high-quality programs yield positive results for children and society. Quality in early care and education programs is typically measured using two types of input-based indicators—those that measure classroom processes (such as the quality of the interactions between children and teachers) and those that measure elements of the program’s structure (such as teachers’ levels of education, teachers’ salaries, and teacher-to-child ratios). Though neither of these indicators singularly guarantees positive outcomes for children, each has been shown to have some

association with children’s cognitive and social development. There are no comprehensive studies of the quality of early care and education in the United States, but scholars, advocates, and policymakers generally agree that many young children are cared for in programs where quality is unacceptably low.¹¹

Based on this research, Nobel Prize-winning economist James Heckman argues that public investment in quality early childhood programs provides a higher long-term economic benefit than do infrastructure projects or other educational programs such as K–12 schooling or higher education.¹² Former chairman of the Minneapolis Federal Reserve Arthur Rolnick agrees:

Most of the numerous projects and initiatives that state and local governments fund in the name of creating new private businesses and new jobs result in few public benefits. In contrast, studies find that well-focused investments in early childhood development yield high public as well as private returns.¹³

The Mixed Child Care Marketplace

Preschool and child care have become common components of children’s early experiences in the United States. This care is provided in a wide range of settings. Some young children attend organized care programs such as day care, nursery schools, or prekindergarten programs, while others are in less formal settings such as home-based child care centers, nannies, or babysitters. Some ECE programs serve hundreds of children each day while others serve as few as one child.

Auspices for these programs vary both within and across settings. Though home-based programs are typically for-profit, both private nonprofit and private for-profit entities operate center-based programs. In many parts of the country, nonprofit and for-profit entities also provide child care in partnerships with state and local governments through CCDF programs or state pre-kindergarten programs.

For-profit entities represent a larger proportion of the early care and education sector than they do in the K-12 and higher education sectors. Precise numbers are not available, but my best estimates suggest that approximately one half of children under the age of five who regularly attend child care are cared for in nonpublic programs. Of these nonpublic programs, for-profit entities outnumber nonprofit providers at a rate of approximately two to one.¹⁴

Public-sector early care and education programs (for example, Head Start, Early Head Start, state prekindergarten, prekindergarten provided through public elementary schools, and publicly funded early intervention programs for children with disabilities) can be distinguished from three types of non-public-sector programs:

1. **Private independently operated not-for-profit** child care programs (tax-exempt organizations such as community organizations or faith-based institutions);
2. **Informal for-profit** early care and education (babysitters, nannies, or home-based, owner-operated programs with no employees); and
3. **Formal for-profit** early care and education (center- and home-based, taxable entities with at least one employee).¹⁵

Although this taxonomy provides a useful tool for understanding the complex child care marketplace, the reader should be cautious when making inferences across an entire category. Programs with similar tax statuses, for example, may differ in terms of their size, structure, and instructional quality. Furthermore, distinctions between these different types of programs are often blurred. Formal for-profit programs in some cases provide state-funded prekindergarten programs and private not-for-profit programs often serve as Head Start grantees. That said, as I will discuss, research suggests some potentially important differences across these categories.

A Brief History of Child Care in the United States

The US child care marketplace has developed over the last seventy-five years in response to changes in parental employment patterns and a hodgepodge of public policies. When labor shortages encouraged large numbers of women to work outside the home during World War II, the federal government provided funding for workers’ young children to attend child care programs during work hours.¹⁶ In the 1960s, educators and policymakers began to view child care not only as a means to facilitate maternal employment but also as a potential tool for improving child health and development. The creation of the Head Start program in 1965—a key component of President Lyndon Johnson’s Great Society programs—

sought to provide low-income families with both child care and family support services through grants to community-based agencies.¹⁷

The Head Start program facilitated access to child care for many low-income families, but it was not designed to address the growing need for child care among middle- or upper-income families. By the early 1970s, approximately 30 percent of mothers with children under the age of five were employed outside of the home. While some parents could rely on friends or family to care for their children, demand outpaced supply. Federal policymakers attempted to address the growing need for child care with the 1971 Childcare and Development Act (CCDA). Designed to structure a universal system of early care and education, this bill passed both houses of US Congress with bipartisan support, but was vetoed by President Richard Nixon out of concerns that it would promote communal child-rearing approaches that would weaken the American family.¹⁸

Estimates suggest that the fifty largest formal for-profit child care organizations represent less than 10 percent of the overall center-based for-profit child care sector.

Although nothing like CCDA ever again passed both houses of Congress, the federal government did provide some support for the child care needs of middle-income families through the expansion of the CDCTC in 1976. This credit allowed families to deduct as much as \$3,000 for the care of one child or adult dependent and \$6,000 for the care of more than one. Approximately four million US taxpayers currently take advantage of this credit every year.¹⁹

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) expanded public involvement in the child care marketplace. PRWORA provided a large increase in the amount of public child care subsidy dollars available to low-income families. Designed to encourage families receiving public assistance to transition from welfare to work, PRWORA limited the amount of time families could receive cash benefits and required recipients to participate in job training or other

work-based programs. This led to a large-scale movement of mothers of young children into the workforce that, in turn, increased demand for child care. Through Childcare and Development Fund programs [for example, Temporary Assistance to Needy Families (TANF) and the Childcare Development Block Grant (CCDBG)], state and federal policymakers provided families transitioning from welfare to work—as well as other low-income families—with vouchers with which they could purchase child care from a provider of their choosing.

As shifts in employment patterns and public policy have reshaped the early care and education marketplace over the last half century, private enterprises have consistently stepped in to meet families' needs. As Roger Neugebauer notes in his 2010 review, the formal for-profit early care and education sector has enjoyed strong and steady growth over the last four decades. Although the majority of for-profit programs in the early 1970s were small “mom-and-pop” operations, many in the business community expressed excitement about the potential for growth and profit in the child care market. Neugebauer cites a 1971 article in *Barron's Financial Weekly*, which listed more than one hundred companies with aspirations of creating nationwide chains of child care programs. Barron's likened the enthusiasm for the growth potential of early care and education in the 1970s to the expansion of the electronics industry a decade earlier.²⁰

The for-profit early care and education model may not have met Barron's lofty projections, but it has proven to be a dynamic and profitable industry.²¹ Annual revenues for for-profit child care programs increased nearly tenfold over the last two decades, jumping from a total of \$2.8 billion in 1986 to more than \$20 billion in 2008.²² A few large companies have indeed emerged over this period; however, formal for-profit child care today remains, by and large, a mom-and-pop industry. Estimates suggest that the fifty largest formal for-profit child care organizations represent less than 10 percent of the overall center-based for-profit child care sector. Put another way, approximately nine out of ten formal for-profit child care programs operate between one and five centers and serve fewer than one thousand children.²³

The publicly funded portion of the early care and education sector has also experienced substantial growth in recent decades. Annual funding for state preschool programs more than doubled to a total of \$4.6 billion from 2001 to 2008 because of growing evidence about the importance of children's early years.²⁴ Today, forty states and the District of Columbia provide publicly funded care and education for all three- and four-year-old

children. In 2010, in addition to the approximately 1 million children from birth to age five supported by CCDF and the 1.4 million children enrolled in federally funded special education, Head Start, and Early Head Start programs combined, another nearly 1.2 million children were enrolled in state-funded preschool programs.²⁵

Bridges and Barriers: Private Enterprise and the Expansion of Public Early Care and Education

The growth in publicly funded preschool presents both opportunities and challenges for for-profit child care providers. In many states, private not-for-profit and informal and formal for-profit entities have partnered with state governments to help fund child care with public dollars. This has given some child care providers access to a new market of families who otherwise might not have been able to afford this care. The expansion of publicly funded child care also creates unique challenges for non-public child care providers. To better understand this dynamic, we should look more closely at child care regulations and the basic business model of a for-profit early care and education program.

Staff and space represent the majority of operating expenses in a typical child care program. On average, labor and occupancy costs account for 62 percent and 20 percent, respectively, of a formal for-profit child care program's operating expenses.²⁶ These costs are to some extent fixed, as state and local regulations generally mandate that programs maintain a minimum number of square feet and adults per child. These regulations vary based on the age of the children served. This makes sense from a developmental perspective—infants demand more attention and care from adults than do toddlers, and toddlers demand more attention than three- and four-year-old children. Child care regulations in most states therefore allow programs to combine three- and four-year-old children into comparatively larger groups with fewer adults. Thus, caring for children under three is often substantially more costly for providers than caring for children three years old and above. Many for-profit and private not-for-profit programs construct their business models based on these differences in returns by child age. Although a program may break even or lose money by serving infants and toddlers, it can often make up for these losses by providing less cost-intensive services for three- and four-year-olds.

Publicly funded child care, by and large, supports children at the upper end of the preschool age range. In

2010, more than 40 percent of four-year-olds and 14 percent of three-year-olds were enrolled in state-funded prekindergarten or Head Start programs across the country. Rates of enrollment in public early care and education vary widely from state to state. While more than 75 percent of four-year-old children in Florida, Oklahoma, and West Virginia were enrolled in publicly funded early care and education programs in 2010, in Nevada, New Hampshire, and Utah, this figure was less than 13 percent.

In addition to competition from publicly funded programs, formal for-profit providers also face competition from unregulated informal providers. These home-based child care programs (sometimes called family child care) are particularly popular with families of infants and toddlers. In most states, formal center-based programs (both for-profit and not-for-profit) face much stricter scrutiny from state and local officials than the small programs based in private homes, even though home-based programs are in some cases eligible to receive public funds. Half of states do not require annual inspections of small child care programs operated in private homes. In nine states, home-based programs serving six or fewer children are permitted to operate without any licensing or substantial oversight from the state. An additional eight states do not require inspections or visits of home-based child care providers prior to licensing. Center-based programs, by contrast, are required to undergo annual inspections in forty-four states, eight of which require programs to be visited at least every three months. Center-based programs are also subject to regulations regarding teacher education, ongoing professional development, and instructional content from which many small home-based providers are exempt.²⁷ Despite this limited state oversight, many unlicensed child care programs are permitted to receive public money to care for children through TANF and CCDBG funds.²⁸

The low level of regulations for the informal care combined with the increasing number of public schools and state prekindergarten programs offering free and reduced cost options for three- and four-year-old children has the potential to squeeze for-profit providers out of the market. On the one hand, it is difficult for formal for-profit centers to compete with free or reduced-cost public options for four-year-olds. On the other hand, it is difficult for formal for-profit centers to compete with low-cost, unregulated, informal home-based providers for younger children. Unlike nonprofit programs, for-profits cannot supplement revenues through fundraising campaigns. In the current child care marketplace, for-profit programs therefore seem to have two basic choices:

(1) they can forgo public funding and compete directly with the public-sector programs by providing an alternative product or (2) they can partner with the public sector to provide publicly funded care to young children. The following are some examples of for-profit enterprises that have adopted these two strategies.

Bright Horizons Family Solutions, one of the largest providers of formal for-profit child care in the United States, has distinguished itself by creating good alternatives to public programs. The company states that it aims to foster quality through highly qualified staff, providing an innovative curriculum, and maintaining low child-to-teacher ratios. Bright Horizons has engaged in some partnerships with state governments and, in some cases, has received public funds to provide child care. However, the core of its business is based on partnering with employers to provide parents with flexible, quality child care at or near their workplace. This type of workplace child care is popular with parents and employers. For parents, on-site child care provides convenience, affordability, and the opportunity to visit their child or, in some cases, breast-feed without leaving the office.

For employers, some evidence exists that on-site child care improves employee productivity and reduces worker absences. Currently, Bright Horizons operates more than seven hundred centers across the United States and provides on-site child care to more than ninety Fortune 500 companies, including Bank of America, Eli Lilly, Citigroup, and Time Warner. This focus on on-site child care, in part, helped Bright Horizons grow its business by an estimated 69 percent between 2002 and 2009, despite competition from the public sector.²⁹

Smaller mom-and-pop formal for-profit child care companies such as Metro Montessori in Rockville, Maryland, have also responded to the increase in publicly funded ECE for four-year-olds by creating alternatives to public programs. One of Metro's preschools, the Franklin Montessori School in Washington, DC, has grown nearly tenfold in the last decade despite being located less than a mile and a half from two public elementary schools that offer prekindergarten programs free of charge.³⁰ Metro co-owner Josh Oboler attributes this success to providing a combination of consistency and flexibility that is absent in school-based programs. He states that while public school policies and programs shift with changes in leadership, parents can be sure that Franklin's core educational program remains the same. At the same time, for-profit entities such as Franklin can quickly respond to parents' evolving child care needs. Oboler cites Franklin's recent adoption of after-school sports programs and year-round schooling options

as examples of how private enterprises can rapidly respond to the changing needs of their community.

Knowledge Universe (KU)—the largest formal for-profit provider of care for young children in the United States—has embraced the increase in public support for early care and education. In a 2008 interview, now former CEO Felicia Thornton stated that the increase in public prekindergarten enrollment represented a potential challenge for the formal for-profit child care industry. She was nevertheless optimistic, noting that KU was collaborating with more than twenty state systems to provide child care. She also stated that she hoped to leverage KU's long-standing relationships with many school districts to serve an increasing number of three- and four-year-old students through the publicly financed system. Thornton said that these public-private partnerships were good for the industry, children, and families:

Private providers have the capacity, the history of serving younger children, the early childhood expertise; and we can play a significant role in the success of schools if we are afforded the opportunity to lay a foundation of learning with these children before they enter the public school system.³¹

Many publicly funded early care and education systems permit the kinds of partnerships envisioned by Thornton. In contrast to other areas of education policy, for-profit enterprises are deeply involved in the provision of publicly funded early care and education in many states. Here, it is important to make a distinction between policies and programs for different age groups—namely, those for children from birth to three years old, and those for three- and four-year-old children. Infants and toddlers primarily receive publicly funded care and education through voucher programs such as TANF and CCDBG. Three- and four-year-old children are also served through these programs, but are increasingly served through Head Start and state prekindergarten programs. Following are some examples of how private enterprises participate in these different types of publicly funded early care and education.

Child Care Programs for Children from Birth to Age Three. TANF and CCDBG help support the early care and education of nearly half a million children age birth to three years old across the country. These programs support families currently receiving or transitioning out of welfare, as well as other low-income families, primarily through the use of vouchers. Parents can use these vouchers



to purchase care from any legally operating child care provider, including family members, faith-based providers, and for-profit providers. The federal government recommends that states set subsidy rates equal to or higher than 75 percent of the local market rate for child care, but few states meet this mark. According to research conducted by National Women's Law Center, subsidy rates in many states are very low. In fact, twenty-four states set the subsidy rates for infants at 55 percent or less of the local market rate.³² Though it is possible to track the types of child care settings these families use, no data currently exist on the degree to which families use these subsidies to attend for-profit or private nonprofit programs.

Child Care Programs for Three- and Four-Year-Old Children. Publicly funded programs for three- and four-year-old children are also generally amenable to private-sector involvement. Although nonschool Head Start grantees are private, nonprofit corporations, many state programs rely on the private sector to help meet families' needs for early care and education. Yet the extent of for-profit participation varies substantially from state to state. The following are descriptions of two large state ECE programs—Florida and Oklahoma—that offer contrasting approaches to partnering with the private sector. In Florida, for-profit providers are a critical component of the delivery of publicly funded preschool, while they are nearly nonexistent in Oklahoma's publicly funded system.

Florida: Access and Accountability. In 2002, Florida voters amended the state's constitution to mandate universal access to preschool. As a result, all Florida four-year-old children are now eligible to receive 540 hours of preschool instruction free of charge. Parents may choose to enroll their children in a range of ECE settings, including programs based in public schools, private not-for-profit programs, informal for-profit programs, and formal for-profit early care and education programs. To qualify as a provider of Florida Voluntary Prekindergarten (VPK), nonpublic programs must be accredited and adhere to standards regarding teacher training, class size, and teacher-to-child ratios.

VPK programs are also accountable for their students' performance once they reach kindergarten. Within the first month of school, all Florida kindergarteners are tested using the Florida Kindergarten Readiness Screener (FLKRS). The FLKRS evaluates children's skills and knowledge of language and literacy, mathematics, social and personal skills, science, social studies, physical development, and creative arts. The Florida Department of

Education uses these results to determine the percentage of a program's children who are prepared for kindergarten. Programs that consistently perform below the state's established minimum readiness rate are designated as low performing and are subject to sanctions. After four years of poor performance, programs are no longer allowed to provide VPK-funded services.³³

While more than 75 percent of four-year-old children in Florida, Oklahoma, and West Virginia were enrolled in publicly funded early care and education programs in 2010, in Nevada, New Hampshire, and Utah, this figure was less than 13 percent.

Florida had provided publicly funded prekindergarten to a small number of low-income children since the late 1970s, but when the Florida Universal Pre-Kindergarten (PreK) Amendment 8 passed in 2002, the state system did not have the capacity to serve all of its four-year-old children. Florida policymakers therefore relied heavily on nonpublic ECE programs of all types to meet the voter mandate. In 2010, approximately 155,000, or 68 percent, of Florida four-year-olds attended more than six thousand different preschool programs using VPK funds; 84 percent of these were nonpublic programs.

This high level of participation by for-profit and private not-for-profit early care and education providers was intentional. After failing to pass expanded prekindergarten legislation through Florida's legislature in 2000 and 2001, the supporters of the 2002 PreK mandate were eager to build a broad base of support for the ballot initiative. PreK amendment supporters therefore worked closely with members of the for-profit and faith-based preschool communities to craft amendment language and ensure that VPK neither threatened the autonomy of for-profit providers nor put them out of business.³⁴

While this big-tent approach helped ensure easy passage for the PreK amendment, some have suggested that it made it difficult to guarantee that VPK programs would provide high-quality services for children and families. The standards for programs interested in participating in the VPK system are low. Of the ten quality benchmarks established by the National Institute for Early Education Research (NIEER), VPK programs need meet only three.³⁵ VPK programs are responsible for children's results on later measures of school success, but there are concerns that this outcome-based accountability system may lead preschool programs to narrow their curricula or seek to exclude children who might receive low scores on the kindergarten readiness measures. There is some evidence that this may be the case. In 2009, public programs served higher percentages of low-income students, English language learners, and students with disabilities. Interestingly, despite serving a population of students that was, on average, more disadvantaged, children who attended VPK programs based in public schools demonstrated higher average kindergarten readiness rates than those who attended nonpublic VPK programs.³⁶

Oklahoma: High-Quality Early Care and Education Based in the Public Schools. Oklahoma offers the most expansive access to public early care and education in the United States. In 2010, 71 percent of Oklahoma four-year-olds participated in the state prekindergarten program. When combined with the 14 percent of four-year-old children who attend publicly funded Head Start programs, Oklahoma provides prekindergarten instruction to a higher proportion of its four-year-olds than any other state in the nation.

In contrast to Florida, Oklahoma's publicly funded four-year-old prekindergarten program is operated almost entirely through its public schools; 98 percent of Oklahoma school districts participate in the state prekindergarten program. The state encourages districts to collaborate with outside organizations to provide prekindergarten, but these represent a relatively small proportion of the public prekindergarten in Oklahoma. In 2010, approximately 5,550 (15 percent) of four-year-olds in the state prekindergarten program were served outside of public schools. Approximately 80 percent of these nonpublic programs were private, nonprofit organizations affiliated with Head Start rather than private enterprise providers.

Georgetown University researchers Walter Gormley and Deborah Phillips argue that situating prekindergarten in the public schools has some important implications for the quality of Oklahoma programs. First, closely connecting

early care and education programs with the public schools ensures that prekindergarten teachers earn wages on par with other public school teachers. This means substantially higher wages than ECE staff would otherwise earn. Gormley and Phillips estimate that teachers working in state prekindergarten programs earned approximately double the average annual salary of an Oklahoma teacher working in a nonpublic, center-based prekindergarten program. These higher wages permit Oklahoma public early care and education programs to attract more highly educated candidates. In contrast to Florida where prekindergarten teachers participating in the VPK school-year program need only have an associate's degree, teachers in Oklahoma programs are required to hold at least a bachelor's degree. Oklahoma's school-based early-care and education programs feature other indicators of program quality. Staff-to-child ratios cannot exceed one to ten, and groups of children can be no larger than twenty. Programs are regularly monitored by the state, and teachers receive an average of fifteen hours per year of training and support.

The Franklin Montessori School in Washington, DC, has grown nearly tenfold in the last decade despite being located less than a mile and a half from two public elementary schools that offer prekindergarten programs free of charge.

Evidence suggests that Oklahoma's focus on quality has translated into positive results for children. A 2005 study published in the journal *Science* indicated that four-year-old children who attended a state-funded, school-based prekindergarten in Tulsa demonstrated an additional five to nine months of development on measures of their reading, writing, and mathematics skills when compared to children who had not attended preschool. While Latino and English language learners demonstrated the largest gains, children from a wide range of income, ethnic, and language backgrounds all demonstrated significant positive impacts of attending a Tulsa prekindergarten program.



Although the cases of Florida and Oklahoma are instructive, it is important to note that they represent two extremes regarding the inclusion of private enterprise in publicly funded early care and education. In most states, the picture is much more mixed, with a range of public and nonpublic entities providing early care and education in a variety of settings. Nevertheless, the contrasting picture of quality in the Florida and Oklahoma systems raises some important questions about the quality of for-profit early care and education providers.

The Quality of Formal For-Profit Child Care: A Cause for Concern?

Some prekindergarten advocates have celebrated the growth of programs such as those in Oklahoma and Florida as a critical first step in improving the skills and achievement of US students. Yet, research clearly indicates that simply attending an early care and education program does not yield long-term benefits for children or society. It is only through attending high-quality programs that children realize the results that have so excited parents, scholars, and policymakers.

Presently, no contemporary studies comparing the quality of early care and education in US public school based, nonprofit, and for-profit child care programs exist. However, evidence from older studies suggests that for-profit programs—on average—lagged behind that of public and nonprofit programs on multiple input-based indicators of child care quality. Now more than twenty years old, this research does not reflect the expansion of state child care licensing regulations or recent cross-sector initiatives to improve the quality of child care. Nevertheless, numerous studies from the 1970s and 1980s found that for-profit programs had consistently higher child-to-teacher ratios, fewer services for parents, and less sensitive caregivers when compared to nonprofit centers.³⁷ Interestingly, these findings were not replicated in the 1990s Cost, Quality, and Child Outcomes study. Here, researchers compared the quality of for-profit and nonprofit programs and did not find any clear differences between the two.³⁸

The most recent comparison of quality in US public, nonprofit, and for-profit programs comes from the *National Institute of Child Health and Development (NICHD) Study of Early Care and Youth Development*. Using data collected in the early 1990s, researchers found statistically significant differences between the average quality of for-profit and nonprofit programs. On average,

nonprofit programs paid higher wages to teachers, had fewer children per classroom, and experienced less staff turnover than for-profit centers. Caregivers in nonprofit programs were also more likely to engage in positive caregiving behaviors with their students (for example, giving prompt and appropriate responses to the children's needs and stimulating children's cognitive development) when compared to teachers in for-profit programs.

Although nonprofit early care and education generally outperformed their for-profit counterparts, there were some important within-sector differences. The NICHD study indicated that for-profit chain programs generally provided lower-quality care than independent (mom-and-pop-type) for-profit providers. They also found differences between specific types of nonprofit programs. For example, nonprofit community-based programs generally earned moderate to high marks for quality while the ratings for nonprofit, faith-based providers were low and on par with those of for-profit chains.

Research comparing for-profit and nonprofit or public child care in other parts of the world also points to lower quality in the for-profit sector. A 2007 study of child care programs in the United Kingdom found the quality of public programs to be, on average, superior to that of for-profit programs.³⁹ Gordon Cleveland and colleagues reviewed multiple studies of the quality of child care programs in Canada and found that for-profits consistently lagged behind nonprofit programs on nearly every input-based quality indicator. The city of Toronto was so concerned about the findings regarding the quality of for-profit child care that it no longer permits parents to use government child care money to attend for-profit programs.⁴⁰

Information Asymmetry: Can Parents Accurately Assess a Program's Quality?

In many areas of the United States, parents may choose from a range of government for-profit and private not-for-profit providers. To survive in this competitive marketplace, one would assume that programs would constantly endeavor to improve their quality and efficiency. It is possible that the research from the 1980s and 1990s on the relative quality of for-profit child care programs no longer represents the current child care landscape. But if, as this research suggests, the quality of for-profit programs is generally lower than that of government-provided and private nonprofit programs, why is it that for-profit programs continue to represent a large and growing share of the early care and education market?

One explanation for this disconnect is that parents struggle to distinguish between high- and low-quality programs.⁴¹ Economists refer to situations such as this—when consumers do not have access to the same information as producers—as information asymmetry. Parents consider a variety of factors such as safety, cost, convenience, child-to-staff ratio, or perceived caregiver warmth when choosing an early care and education program for their child. Although the relative weights of these factors vary widely by parent background and child age, multiple studies suggest that parents are poorly informed about what constitutes quality in early care and education. Jennifer Sumsion and Joy Goodfellow argue that even those parents who are knowledgeable about the components of program quality may find them difficult to observe.

Before enrolling their child, a parent can inspect if a facility is safe and clean. A particularly thorough parent might track down information on the program’s child-to-teacher ratio or the number of books in the classroom. Yet the important day-to-day interactions between children, teachers, and content remain largely hidden from view. A parent might draw on “word of mouth” information from friends and social networks to learn about the quality of a given program, but this too can be unreliable. The high levels of staff turnover in some ECE programs can make the quality of those programs unstable. Once a child is enrolled, parents generally spend little time observing classroom practice. Moreover, the young children who are the direct consumers of these early care and education services are often unable to determine the quality of these services or to communicate these ideas to their parents.

Parents tend to overestimate the positive quality of their children’s early care and education programs. For example, when parents and trained assessors rate the quality of an early care and education program, parents consistently provide higher ratings. Unsurprisingly, the gap between parent and assessor ratings is larger for those aspects of quality that are less visible.⁴² This has led some to suggest that for-profit companies intentionally skimp on these hard-to-observe elements of quality. John Morris and Suzanne Helbrun examined this question by comparing for-profit, private not-for profit, and public schools’ early care and education programs on aspects of quality that were easy for parents to observe (for example, furnishings, play materials, meeting areas for parents) and those that were harder for parents to observe (for example, teacher-child interactions and professional growth opportunities for staff). The results were mixed. Public

schools, parent cooperatives, and nonprofit private schools provided the highest level of quality on hard-to-observe indicators of quality. For-profit, chain ECE programs did appear to skimp on aspects of quality that were hidden from parents, but so too did nonprofit, community-based providers and some faith-based child care providers.⁴³

The early care and education marketplace provides a unique look at the benefits and challenges of permitting private enterprise to participate in the delivery of public education. Private enterprises have long been an integral component of the US early care and education system. Through innovative strategies—such as partnering with employers to create on-site programs, experimenting with unique pedagogical approaches, and providing flexible programming to meet the changing needs of families— for-profit entities have provided parents with the choice and flexibility to manage their professional and family lives. Yet, because parents are often unable to effectively discern program quality, some providers may not invest in the unseen elements of program quality. I provide two suggestions for how to correct these failures in the ECE market and to marshal the strengths of for-profits to help provide quality, affordable care to US children and families.

Moving Forward: Recommendations for Policy and Practice

1. Provide Parents with a Clearer Picture of Program Quality. Markets do not function efficiently when consumers are unable to accurately rate the quality of goods and services. Because of the unique nature of early care and education, the individuals making child care purchasing decisions are often blind to the key components of quality. In Florida, policymakers have attempted to offer parents this sort of information by providing data on students’ performance once they reach kindergarten. This represents a step in the right direction, but it is ultimately insufficient. The Florida system measures children’s skills and ability upon entry to kindergarten, but provides little insight into the effectiveness of that child’s early care and education program. A kindergarten child’s skills and abilities represent the culmination of five years of educational inputs and experiences, not solely the effectiveness of his or her ECE program. Even if these measures were effective in measuring the actual impact of a child’s four-year-old program, kindergarten readiness scores do not indicate the quality of that child’s early care and education settings prior to age four.



Quality rating systems (QRS) have the potential to offer parents this information. More than twenty-five states and local areas across the country are currently operating or developing quality rating systems. The details of these programs vary, but, in general, they provide independent assessments of early care and education on structural quality indicators such as licensing compliance, staff qualifications, teacher-to-child ratios, and group size. Some QRS take a closer look at process quality and gauge the fitness of a program's curriculum or child-assessment tools. Based on these and other indicators, programs are awarded either a numerical score or a substantive rating of their overall quality.⁴⁴

QRS scores or ratings serve a number of purposes. Kathryn Tout and colleagues conducted an extensive survey of QRS across the country and found that nearly all provided participating programs with training linked to QRS indicators. These trainings covered a range of topics including assessment of the classroom environment and business practices as well as analyses of children's cognitive, social, and emotional development. QRS scores can also be connected to financial incentives. Two-thirds of QRS are connected to systems of tiered reimbursement by which programs that receive public funds (by serving children with state child care subsidies) are paid at higher rates for demonstrating higher scores on QRS indicators.

Quality rating systems can provide parents with the information they need to make rational decisions regarding early care and education programs. Yet the impact of QRS on correcting information asymmetry in the child care marketplace will be limited if parents cannot find consistent information on all types of early care and education providers. Nearly half of the systems that Tout and colleagues examined provided ratings on 30 percent or fewer of the programs in their area. In some states, Head Start programs are rated using a different set of criteria than are used on other programs. It is also unclear how well this information is being distributed to parents. For example, Tout and colleagues found that twelve QRS programs did not have a budget to support the marketing of QRS information.⁴⁵ Furthermore, the effectiveness of QRS depends on providing real incentives for programs to reach and maintain higher levels of quality. In most states that offer tiered rates of reimbursement, the amounts paid to the highest quality providers still fall well below the local market rate.⁴⁶

Private enterprises have and should continue to work closely with states on the development of QRS to craft systems that provide parents with an accurate picture of program quality and that give programs incentives to

reach and maintain high levels of performance. By providing child care programs with clear financial incentives to improve quality and by giving parents the tools to become more informed consumers, QRS will encourage providers of all types to focus on the aspects of program quality most important for children's health and development.

In 2011, the median-salaried child care worker earned less than \$9.50 an hour. This means that caregivers of young children are on average paid at slightly lower rates than parking lot attendants and animal caretakers.

2. Provide Equitable Oversight and Support for All Caregivers of Infants and Toddlers. Emerging research suggests that school-based programs provide effective and developmentally appropriate instruction for four-year-old children. Evaluations of school-based prekindergarten programs in Tulsa, Boston, Miami, and Los Angeles indicate that school-based programs can help four-year-old children develop the skills and habits of mind critical to later school success.⁴⁷ Though the trend toward integrating preschool and elementary school has slowed slightly during the recent recession, the extension of formal schooling into the preschool years is likely to continue. In the coming decades, four-year-old prekindergarten programs may become as common a component of elementary school as kindergarten and first grade.

The critical question then becomes how best to support the early care and education of children three years old and younger. As more and more four-year-old children are educated through the elementary school system, we must reassess the real cost of caring for young children. As noted above, the higher staff-to-child ratios required in infant toddler classes makes them substantially more expensive than programs for four-year-olds. Some early care and education programs mask the true cost of these services by subsidizing more expensive care for infants and

toddlers with funds from less cost-intensive three- and four-year-old children. The real costs of care for infants and toddlers are further obscured by the availability of low-cost, unregulated child care providers.

Private enterprise should be a key component in shaping this new child care landscape. When large numbers of women began entering the workforce in the late 1960s, for-profit providers stepped in to help deliver access to safe and reliable care for working families' young children. Now, as the child care landscape is again reshaped by the adoption of school-based prekindergarten programs, the creativity and flexibility of the private sector will be essential in meeting the needs of young children and their families.

If private enterprises are to be effective partners in meeting the needs of this evolving marketplace, state and federal governments must make changes to the way they regulate and support early care and education. First, states must provide clear, consistent, and fair regulation of all early care and education programs. State oversight of formal and informal early care and education programs is often uneven. This regulation imbalance between large and small providers allows some home-based providers to operate at lower costs than formal providers and jeopardizes the healthy development of children in these lower-cost, lower-quality programs. This bias toward small providers makes it difficult for successful, innovative for-profit providers to grow their programs to serve a larger number of children and to maintain quality of care. Child care regulations provide important safeguards for young children and have far reaching implications for children's development. States should therefore work to apply uniform standards to all those who care for children, regardless of program auspice or size.

Second, the capacity of for-profit providers to participate in state child care systems could be further facilitated by better integration of the various state subsidy programs. As Hannah Matthews and Danielle Ewen note in their 2011 paper, state TANF and CCDBG programs often differ in important ways such as the amount and duration of subsidies they provide to families.⁴⁸ This creates unnecessary bureaucracy and confusion for both families and providers. States should find ways to combine these and other subsidy programs to provide a more seamless integrated system.

Third, state subsidies must better reflect the actual cost of child care for young children. Less than 15 percent of states currently meet the federal government's recommendations for determining the appropriate dollar amount of child care subsidies. If for-profit programs are

to participate in the provision of publicly funded early care and education, they, as well as nonprofit providers, need to be compensated at a fair market rate. High-quality child care requires high-quality teachers. In 2011, the median-salaried child care worker earned less than \$9.50 an hour. This means that caregivers of young children are on average paid at slightly lower rate than parking lot attendants and animal caretakers.⁴⁹ To attract high-quality staff, providers of all types need to offer higher wages and benefits to caregivers and program leaders. This must in part come from higher rates for subsidy-supported children.

Finally, the federal government should increase the amount of the CDCTC of parents of children under three. Currently, the CDCTC allows families to deduct a maximum of \$3,000 for one dependent or \$6,000 for more than one, regardless of the dependent's age. This credit should be reformulated to provide additional relief to families who need care for children from birth to age three. This extra cash would provide parents with the additional money necessary to pay for quality care for their children.

Conclusion

In a 1970 *McCall's* magazine article, writer Alice Lake outlined emerging concerns about the participation of private enterprise in early care and education: "Everybody wants day care centers, and businessmen are rushing to supply them. But can you serve children the same way you serve Kentucky Fried Chicken?"⁵⁰ Over the last forty years, parents, scholars and policymakers have moved beyond these simple caricatures of for-profit child care programs and have come to recognize that private enterprise is an integral part of the child care system in this country. For-profit institutions have played an important role in meeting the changing needs of children and parents throughout this period.

Today—as evidence about the long-term importance of children's early experiences and the growth of school-based preschool again reshape the child care landscape—for-profit enterprises will once more be important in meeting the dual purposes of child care. Promoting quality care in this evolving child care marketplace will require difficult decisions at all levels. Increasing the amount of state child care subsidies may mean decreasing the number of eligible families. Increasing the amount parents can deduct for the care of their children from birth to age three may require a corresponding decrease

in the amount deducted by parents of older children. Employers interested in keeping their employees productive and happy may need to employ the services of site-based child care programs such as Bright Horizons. For some families, the high cost of care for children in their early years may necessitate a reevaluation of the efficacy of both parents working long hours outside of the home. Regardless, fulfilling both the parental employment and child development purposes of child care will require the energies of all of the players in the child care marketplace, public, nonprofit and for-profit alike.

Notes

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30. Todd Grindal was a member of the team that founded the Franklin Montessori School, and served as its program director from 2002 to 2005.

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43. John R. Morris and Suzanne W. Helburn, "Child Care Center Quality Differences: The Role of Profit Status, Client Preferences, and Trust," *Nonprofit and Voluntary Sector Quarterly* 29 (2000): 377.

44. Although many states encourage child care providers to incorporate assessment and observation, currently, no quality rating systems use child-level outcome data to assess reward or to penalize programs.

45. Kathryn Tout et al., *The Child Care Quality Rating System (QRS) Assessment: Compendium of Quality Rating Systems and Evaluations*, (Washington, DC, 2010), www.acf.hhs.gov/programs/opre/cc/childcare_quality/compendium_qrs/qrs_compendium_final.pdf (accessed June 11, 2012).

46. Karen Schulman and Helen Blank, *State Child Care Assistance Policies: Reduced Support for Families in Challenging Times* (Washington, DC: National Women's Law Center, 2011), www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf (accessed June 11, 2012).

47. See Walter Gormely, Deborah Phillips, and Ted Gayer, "Preschool Programs Can Boost School Readiness"; Christina Weiland, "Preparing to Succeed: The Impact of a Public Preschool Program on Children's Kindergarten Literacy, Math, Executive Functioning, and Socio-Emotional Skills" (paper presented at the Universidad Diego Portales, Santiago, Chile, 2011); and Todd Grindal, "Comparing the Impact of Attending a School-Based and Non-School-Based Preschool on Young Children's Cognitive Skills, Social Behavior and Approaches to Learning: A Propensity Score Analysis," *Early Childhood Research Quarterly* (submitted).

48. Hannah Matthews and Danielle Ewen, *Meeting the Early Learning Challenge: Better Child Care Subsidy Policies*, (Washington, DC: Center for Law and Social Policy, 2011), www.clasp.org/admin/site/publications/files/subsidiesandelec.pdf (accessed June 11, 2012).

49. According to the US Bureau of Labor Statistics, in May 2011 (the most recent date for which data are available), the median hourly wages were \$9.53 for parking lot attendants, \$9.38 for animal caretakers, and \$9.34 for child care workers. See US Bureau of Labor Statistics, "May 2011 National Occupational Employment and Wage Estimates" (Washington, DC, 2011), www.bls.gov/oes/current/oes_nat.htm#00-0000 (accessed June 11, 2012).

50. Alice Lake, "The Day Care Business," *McCalls Magazine* 98, no. 2 (1970).