

# CEO Action for Racial Equity

Launched in October of 2020, the CEO Action for Racial Equity (CEOARE) Fellowship unites the talent and resources of over 100 signatory organizations from CEO Action for Diversity & Inclusion™ to advance racial equity through public policy and corporate engagement strategies that will address systemic racism and social injustice while aiming to improve societal well-being for 47+ million Black Americans.



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FOR RACIAL  
EQUITY

## Early Childhood Education Overview and Key Priorities | May 2023

### Massachusetts Focus Overview

#### Equity and Excellence in Early Childhood Education

While demand for early childhood education (ECE) services remains high, limited access, lack of affordability and low-quality programs leave children at a disadvantage during critical years of development. The evidence shows that strong ECE programs benefit both children and their communities and ECE helps fulfill a critical child care need. Without reliable access to ECE, parents cannot fully participate in the workforce, furthering the inequity in income and attaining economic security.

- ✓ **ACCESS:** Even before the pandemic, over half of all people in Massachusetts lived in “child care deserts” where there are more than three children in the community for each available spot at an ECE center or family daycare.<sup>1</sup> **ECE should be a public good: accessible, equitable, and affordable for all, not a select few.**
- ✓ **AFFORDABILITY:** Massachusetts has the second highest child care costs in the nation, second to Washington, D.C. at \$20,913 annually for an infant.<sup>2</sup> **Sufficiently funding ECE helps lower the provider cost, allowing more enrollment opportunities.**
- ✓ **QUALITY:** According to a 2019 report from The Education Trust, across a sampling of 26 states, including Massachusetts, **only 27 percent of Black 3- and 4-year-olds were enrolled** in high-quality state preschool programs.<sup>3</sup> **Investing in quality education is an investment in the social and academic skills children need for success.**

### Our ECE Goal

Our goal is to close the education opportunity gap by embedding racial equity considerations in policy and funding decisions at the federal and state levels affecting access, affordability, and quality of ECE.

### Why ?

Investing in children’s earliest years is a long-term, upstream strategy for developing our nation’s human capital. Without access to high-quality early learning, developmental gaps can be seen in children as young as 18 months.<sup>4</sup> ECE investments will also help alleviate challenges for parents in the workforce. In 2021, over one-quarter of Black respondents who lacked child care reported they left or lost their job in the past four weeks as a result of the time needed to provide care for their children.<sup>5</sup>

### Key Priorities to Drive Racial Equity

#### Our Massachusetts Priorities:

- 1. Loan Forgiveness for Providers** – give preference to those serving in or planning to serve the Commonwealth's most vulnerable families in under-served geographies.
- 2. Grant Fairness for Providers** – give preference to providers serving subsidized children and use equity adjustment to allocate funding to providers in areas serving large numbers of low-income children and the Commonwealth's most vulnerable families.
- 3. Data Collection** at child level to measure our progress.
- 4. Implicit Bias and Cultural Competency training** for Providers.
- 5. Establish an Executive Position** reporting to Governor to oversee appropriation and execution of policies with a racial equity lens.

**Our Advocacy Focus:** We advocate for the elimination of racial disparities and unintended bias in the administration of federal and state ECE programs, including the allocation of ECE funding.

#### The Business Impact:

**Workforce and Talent:** Stable, quality early childhood education and care contributes to a current and future skilled and stable workforce. When employees cannot access dependable early education and care, due to inadequate child care, MA faces roughly **\$2.7 billion** a year in lost earnings for employees and **\$812 million for employers**, in additional costs, lower productivity, and reduced tax revenues.<sup>6</sup>

**Business Operations:** Parents’ lack of access to quality early education and care can affect operations through lower productivity, increased absenteeism, and increased turnover. In Massachusetts, since March 2020, over **1,359** child care programs closed representing 17 percent of programs and **23,395** slots for children.<sup>7</sup>

**Diversity, Equity, and Inclusion:** Demonstrated commitment to early education and care can help companies increase their **diversity in recruitment** and retention by appealing to more prospective employees. Research has shown that children attending quality early childhood education programs have more positive educational and social outcomes, higher graduation rates and **increased wages**.<sup>8</sup>

#### References:

<sup>1</sup> Malik, Rasheed, Katie Hamm, and Leila Schochet. “America’s Child Care Deserts in 2018.”

<sup>2</sup> Child Care Costs in the United States.” Economic Policy Institute, October 2020. <https://www.epi.org/child-care-costs-in-the-united-states/#/MA>

<sup>3</sup> Gillispie, Carrie. “Young Learners, Missed Opportunities.” The Education Trust, November 6, 2019. <https://edtrust.org/resource/young-learners-missed-opportunities/>.

<sup>4</sup> The Bedrock of American Business: High-Quality Early Childhood Education.” U.S. Chamber of Commerce Foundation, February 9, 2021. <https://www.uschamberfoundation.org/early-childhood-education/the-business-case>

<sup>5</sup> 2020 U.S. Census Bureau Household Pulse Survey, Weeks 34–39.

<sup>6</sup> The Untold Cost of Inadequate Child care.” Boston: Massachusetts Taxpayers Foundation, April 2022. <https://masstaxpayers.org/sites/default/files/publications/2022-04/The%20Untold%20Cost%20of%20Child%20Care%20Report%20FINAL.pdf>. Fact Found on Page 4..

<sup>7</sup> Schoenberg, Shira. “Fixing Early ED System Could Cost \$1.5 Billion a Year.” Commonwealth Magazine, March 14, 2022. <https://commonwealthmagazine.org/economy/fixing-early-ed-system-could-cost-1-5-billion-a-year/>.

<sup>8</sup> Early Childhood Program Linked to Higher Education Levels.” National Institutes of Health. U.S. Department of Health and Human Services, February 13, 2018.

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