

# Federal Early Childhood Care and Education Programs: Advancing Opportunity Through Early Learning

KATHARINE B. STEVENS  
*American Enterprise Institute*

[We aim] to lighten the burdens of children, to set their feet upon surer paths to health and well-being and happiness. . . .

Let no one believe that these are questions which should not stir a nation; that they are below the dignity of statesmen or governments. If we could have but one generation of properly born, trained, educated, and healthy children, a thousand other problems of government would vanish.

—President Herbert Hoover, 1930  
*Address to the White House Conference on Child Health and Protection*

The poor life prospects for children born into disadvantage in America are increasingly recognized as an urgent national concern. More than a third of children born into the bottom fifth of the income distribution remain there as adults, while just 41 percent make it into the middle quintile or above. For children in single-parent homes, opportunity is especially lacking: 50 percent of children in the bottom quintile raised by never-married mothers remain there as adults, compared to just 17 percent of children raised by continuously married parents.<sup>1</sup> The circumstances that an

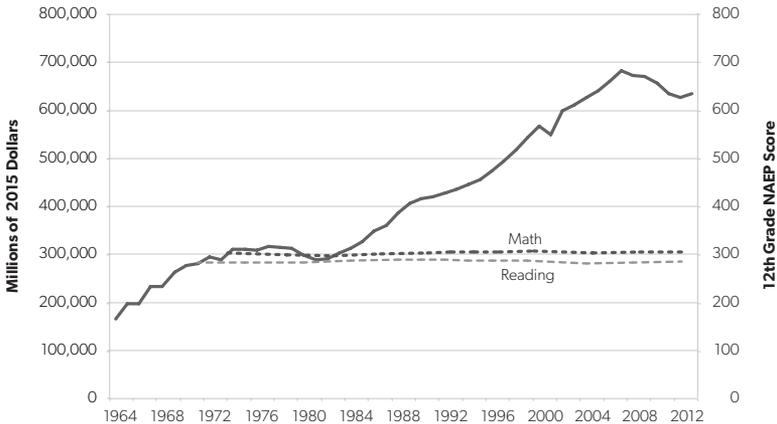
American child is born into determine too much about his chances to succeed in life.

Since the War on Poverty was declared in 1965, America has relied on public education as the primary strategy for breaking the cycle of intergenerational poverty and advancing equal opportunity for all children. Over the past several decades, spending on the country's schools has escalated dramatically toward that end. Federal, state, and local governments spent a total of \$636 billion on K–12 education in 2013–14.<sup>2</sup> Public expenditures per student have doubled since the mid-1970s, reaching an average of more than \$12,000 per student in 2012–13.<sup>3</sup>

A good education is key to social mobility and self-advancement. Yet it has become increasingly clear that K–12 schooling is falling short as our nation's primary engine of opportunity and human capital development. Three-quarters of low-income fourth graders and 80 percent of low-income eighth graders score below proficient in both reading and math on the National Assessment of Education Progress (NAEP). Seventeen-year-olds' reading and math scores have remained flat for almost half a century (see Figure 1).<sup>4</sup> Less than 40 percent of high school seniors scored at college- and career-ready levels on the 2015 NAEP exam, and just 5 percent of black students who took the ACT exam in 2013 were ready for college.<sup>5</sup> The bottom line is that two trillion public dollars and decades of efforts to improve schools have produced little progress in the economic and social well-being of America's neediest citizens. Children born poor today are just as likely to stay poor as they were 45 years ago.<sup>6</sup>

Recent reform initiatives, such as expanding school choice, have been gaining momentum and show some encouraging results. But progress is slow, and millions of children are left behind every year. In addition to continuing these efforts, we need to pursue new approaches to build our nation's human capital and ensure that all children have an equal chance to realize their full potential. High-quality child care that helps the country's youngest, most disadvantaged children get a good start while enabling their parents to work is an especially promising strategy. Done right, it

**Figure 1. Total Public Spending on K–12 (in 2015 Dollars) and Achievement of 17-Year-Olds on the National Assessment of Education Progress (NAEP)**



Source: National Center for Education Statistics.

provides a powerful approach to breaking the cycle of intergenerational poverty and advancing opportunity for two generations simultaneously.

### Gaps Emerge Early

While we have long counted on K–12 schools to give children a strong start, often the schools' biggest task is to compensate for a weak start that handicaps many children long before they enter kindergarten. Developmental gaps between advantaged and disadvantaged children have been observed among children as young as nine months.<sup>7</sup> By 18 months, toddlers from low-income families can already be several months behind their more advantaged peers in language development.<sup>8</sup> By age three, children with college-educated parents have vocabularies as much as three times larger than those whose parents did not complete high school.<sup>9</sup> These gaps continue

to widen: fewer than half of poor five-year-olds are ready for kindergarten, and some are up to two years behind their peers.<sup>10</sup>

In other words, many children enter school unprepared to succeed, and subsequent schooling largely fails to remediate those gaps.<sup>11</sup> Indeed, K–12 schools often amplify, rather than diminish, the consequences of early disadvantage. Achievement gaps between advantaged and disadvantaged children widen as they progress through school, and over the past quarter century, widening gaps have been growing even larger.<sup>12</sup>

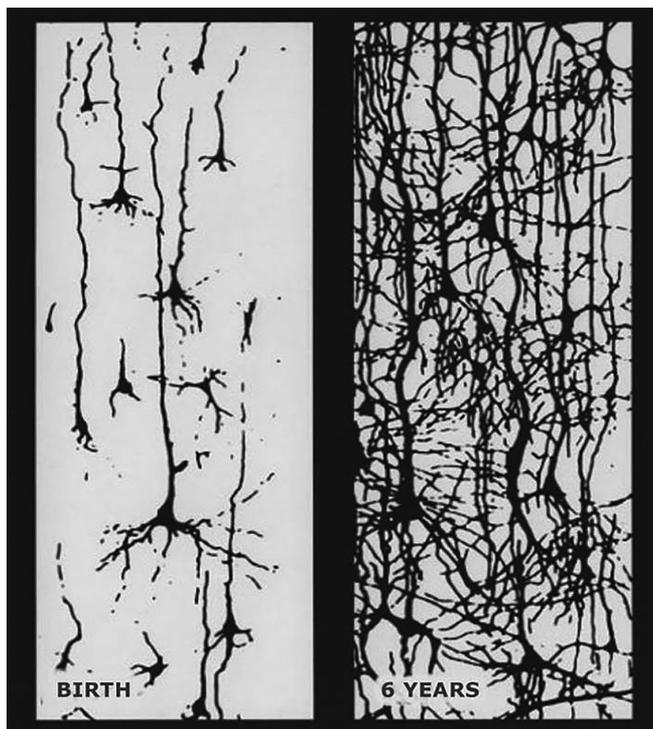
### **The Lifelong Importance of Children's First Years**

A rapidly expanding body of research indicates that one cause of this problem is that we have greatly underestimated the importance of children's preschool years. Extraordinary development occurs from conception to age five, laying the foundation for lifelong health, intellectual ability, emotional well-being, and social functioning. In just the first 1,000 days, a child grows from a helpless infant to a running, jumping, climbing preschooler. And, although less visible, children's early cognitive, social, and emotional development mirrors this dramatic physical growth.

Human brains are not fully born—they are built, through the interactive influences of children's genes and early experiences. An infant's brain has about 100 billion brain cells, roughly the same number as an adult brain, but with many fewer connections between cells. In the first years of life, the brain's neural network expands exponentially, from around 2,500 connections per neuron at birth to about 15,000 connections between ages two and three, with rapid growth continuing into early elementary school (see Figure 2). Those new connections—called synapses—“wire” the structure of a young child's brain in response to the child's environment, driven almost entirely by his interactions with parents and other caretakers.

The developing brain is an integrated organ; emotional, social, and cognitive capacities are interconnected and interdependent. Foundational development begins at birth, peaks in the first few years of life, and is cumulative. Healthy development at any stage

**Figure 2. Development of Synapses in the Human Brain Between Birth and Age Six**



Source: J. LeRoy Conel, *The Postnatal Development of the Human Cerebral Cortex* (Cambridge, MA: Harvard University Press, 1959).

depends on healthy development in the previous stage as more complex neural connections and skills build on earlier, simpler ones. Neuroscientists from Harvard University's Center on the Developing Child underscore, "Early experiences determine whether a child's developing brain architecture provides a strong or weak foundation for all future learning, behavior, and health."<sup>13</sup>

The bottom line is that a solid early foundation, constructed in the first years of life, is crucial to a child's opportunity to fulfill his potential. While children's physical development unfolds naturally given

adequate nutrition and physical freedom, their cognitive, social, and emotional development is driven by time- and attention-intensive adult nurture and care. From birth, back-and-forth, language-rich communication in the context of secure, loving relationships with adult caregivers literally builds the architecture of children's brains. Just as a plant's growth depends on sufficient water and light, children's development depends on hour-to-hour, day-to-day interactions with caring, responsive adults.

So for better or for worse, the early experiences of babies and young children have a profound, lasting impact on the rest of their lives. Young children raised in nurturing, supportive families learn and develop well. But when children's early environments—whether at home or elsewhere—are unsupportive or even damaging, it can compromise their development and jeopardize their chances for success in school and beyond.

Large numbers of young children in the United States are affected by interrelated factors that put them at particular risk, such as poverty, single motherhood, and low parental education. Of the 20 million children under age five, 23 percent of all children, 34 percent of Hispanic children, and 43 percent of African American children are living in poverty.<sup>14</sup> Almost half of all babies are born to women on Medicaid.<sup>15</sup> Among poor children under age six, 65 percent live with a single parent, and 42 percent have a mother who lacks a high school degree.<sup>16</sup> For many of these children, K–12 schooling—even starting in pre-K—is simply too little too late.

### **A New Strategy**

Children do not choose their families. Yet they often pay a steep, life-long price for being born into circumstances that fail to provide the early experiences promoting later academic, social, and economic success. Longer-term solutions to strengthening families, such as reducing single parenthood and increasing parental education and skills, are crucial.<sup>17</sup> At the same time, helping disadvantaged babies born today is equally significant in breaking the intergenerational cycle of poverty and family fragility.

Instead of continuing to rely on shopworn, often ineffective school-centered approaches, we need new strategies to improve the life chances of our youngest citizens. While parents bear the primary responsibility for their young children's upbringing, early care and learning programs that support vulnerable families in nurturing and developing their children hold great untapped potential to increase poor children's chances for success. By shifting the focus to reducing early gaps rather than remediating ever-worsening problems through K–12 schooling, early childhood programs target the very foundation of educational opportunity, providing an upstream approach that can help low-income children avoid falling behind before they even start school.

### **Reforming Federal Early Care and Education Programs**

As the long-term impact of children's earliest years becomes increasingly clear, it has also become clear that federal early childhood programs are in urgent need of reform. Since 1935, the federal government has supported early care and education for poor children to promote their healthy development and give them a better chance to succeed. But the policymaking legacy of the past 80 years is a haphazard array of uncoordinated programs, shaped by outdated science and entrenched political interests, and long driven by addressing unintended consequences of previous policies rather than core goals.

The federal government now funds dozens of small programs providing services to children from birth through age five, but the preponderance of federal funds—\$17.2 billion—is spent on three major programs: Head Start at \$9.2 billion, the Child Care Development Fund (CCDF) at \$5.4 billion, and child care expenditures from Temporary Assistance for Needy Families (TANF) at \$2.6 billion annually.<sup>18</sup> All three programs fund poor children's participation in early care and education, and all originated in efforts to promote children's healthy development.<sup>19</sup> Yet today, they are disconnected from one another and lack coherent purpose. At the state and local levels, integrating disparate federal funding streams—each constrained by its own administration, rules, and monitoring frameworks—with

growing city- and state-funded early childhood initiatives is difficult at best and often impossible.

At the heart of the current policy dysfunction lies a counterproductive conceptual split between custodial care and early education. While child care is recognized as an essential work support for adults, it also has a crucial impact on children during the most consequential phase of human development. Indeed, the commonly made distinction between “care” and “education” in early childhood is a false one, reflecting a fundamental misunderstanding of early learning and development.

We now know that young children are continuously and rapidly learning, wherever they are and from whomever they are with, starting at birth. So while we have long thought of “school” as where children learn, the reality is that every environment—whether home, school, or child care—is a learning environment for young children. The only question is the quality of that environment and whether it promotes or impedes children’s learning.

This has crucial implications for federal policy. Head Start has long been emphasized as the federal government’s primary early education program. But because children often spend many more hours in child care, starting much earlier in their lives, child care can actually have a much greater impact on their development. That is, child care *is* early education, no matter what we call the program or the funding stream.

In fact, child care is unique among early childhood programs precisely because it serves multiple purposes. Unlike any other federal program, it lies at the intersection of three paths to reduce poverty and expand opportunity: increasing work, supporting vulnerable families, and laying the crucial groundwork for children’s later school and life success.<sup>20</sup> By promoting the complementary aims of adult responsibility and self-sufficiency on the one hand, and healthy child development on the other, child care offers a valuable strategy for two-generation human capital development in America’s most disadvantaged communities. Yet Head Start, CCDF, and TANF all fall short of realizing the significant potential of this dual-generation approach to help needy families move ahead.

**Head Start.** Head Start has dominated the federal early childhood landscape for decades as the federal government's preschool program for poor children. Founded in 1965 as a centerpiece of President Lyndon B. Johnson's War on Poverty, Head Start reflects the then-emerging emphasis on schooling as the means to advance poor children. A half century later, it remains the largest and most visible federal early childhood program, with a total 2016 budget of \$9.2 billion and spaces for almost 800,000 preschoolers in about 56,000 classrooms and 2,100 homes nationwide.<sup>21</sup> Early Head Start, a much smaller arm of the program, aims to support the healthy development of low-income infants and toddlers through home visiting and center-based care, with spaces for about 170,000 infants, toddlers, and pregnant women annually.<sup>22</sup>

While science has borne out Head Start's long-standing focus on the importance of early childhood development, the program's implementation quality is uneven across the country<sup>23</sup> and burdened by a half century of accumulated federal rules and regulations.<sup>24</sup> Perhaps Head Start's biggest shortcoming, however, is that it does not meet the needs of low-income working families: most Head Start programs run just three and a half hours per day for 128 days per year. Only 9 percent of center-based slots provide services for a full workday, year-round.<sup>25</sup>

**Child Care Development Fund and Temporary Assistance for Needy Families.** CCDF and TANF are the two major federal child care subsidy programs, aimed primarily at supporting low-income adults' participation in the labor market by helping them pay for child care.<sup>26</sup> In 2014, the programs together provided almost \$8 billion in child care subsidies.

With a total federal budget of \$5.4 billion, CCDF served an average of 1.4 million children per month in 2014. Fifty-six percent (784,000) were under age five and in out-of-home care an average of 37 hours per week.<sup>27</sup> TANF spent \$2.6 billion federal dollars on child care subsidies in 2014; however, the program does not require detailed state reporting on families provided with TANF-funded child care, so the number of children served is not known.<sup>28</sup>

Although CCDF and TANF are now primarily focused on promoting adult work, they grew out of an early-20th-century effort to advance the development of disadvantaged children. The initial iteration of these programs, Aid to Dependent Children (ADC), was the federal government's first early childhood program, enacted in 1935. ADC's goal was to allow poor mothers to exit the workforce and care for their young children at home, aiming to ensure children's "health in mind and body," in President Herbert Hoover's words, and thus open "the door of opportunity" for every child.<sup>29</sup>

As the 20th century wore on, however, ADC evolved into Aid to Families with Dependent Children, expanding its scope to explicitly include support for adults. Adult welfare rolls exploded, and policy focus gradually shifted from children's early development to the financial self-sufficiency of adults. Through welfare reform passed in 1996, today's CCDF and TANF programs were established, framing child care as a work support for adults while deemphasizing its role in children's early development.<sup>30</sup>

Since then, efforts to strengthen federal early childhood policy have largely been confined to tinkering with these three existing funding streams. Useful improvements have been made over the past several years, but current, long-established programs do not provide the best means for accomplishing our fundamental goals.<sup>31</sup> We need new thinking to make substantial headway in improving the lives and life chances of poor children.

### **Moving Forward: A Better Approach**

Family and child well-being are inextricably linked. Today's federal care and education programs for poor children from birth through age four must have two purposes: supporting parents' work in a modern, 24/7 economy and advancing children's healthy growth and learning. Those two aims are complementary, equally important strategies for building human capital in disadvantaged communities.

For most of history, early human development has been accomplished through full-time maternal care. But when low-income

mothers of young children have to work outside the home to support their children financially, they cannot provide the time-intensive nurturing and care that is as necessary as material security for children's adequate development. A work-based safety net can unintentionally harm children, families, and society if it means that disadvantaged children are spending a large proportion of their most crucial developmental years in inadequate, counterproductive settings. While conditioning the social safety net on work improves children's financial security and helps adults move ahead, the gaps left for children's early development must also be addressed to advance the ultimate aim of ensuring opportunity for all.

The best path forward for federal early childhood programs is to realign them around a child care focus, strengthening whole families by simultaneously supporting healthy child development and adult work. Here are three principles to guide a dual-generation approach targeted at those most at risk.

**Child care advances children by fostering their learning and development.** Among children under age six, 65 percent of children overall and three in four African American children have all residential parents in the workforce.<sup>32</sup> Almost 11 million American children under five are now in out-of-home care, for an average of 36 hours a week.<sup>33</sup> So while children's home environment has the greatest impact, the second-most influential environment for many young children is child care.

Indeed, child care, long seen as an important safety net program to support parental work, has an equally important function as public education—investing in young children's human capital so they can grow into healthy, happy, and productive adults. Our current public school system emerged at a time when mothers remained at home to care full time for their young children, building the foundation necessary for children's success in school. However, as increasing numbers of low-income parents are working full time outside the home, the public role in supporting children's early learning and development becomes much more significant. Rather than trying to remediate early educational disadvantage in K–12 schools, it makes

more sense to reduce that disadvantage by helping parents lay a strong foundation in the first place.

The Abecedarian Project provides an outstanding example of high-quality, educational child care. A well-known model pre-school program run in North Carolina from 1972 to 1985, it served poor children 50 hours a week for five years, starting just after birth and continuing until they entered kindergarten while their mothers finished school and found employment. A rigorous study carried out over the past half century has shown extraordinarily positive, long-term social and economic outcomes—far stronger than those of any Head Start or pre-K program studied—demonstrating child care’s potential efficacy in advancing the well-being of poor children.<sup>34</sup>

**Child care advances adults by supporting and rewarding work.**

Child care of any kind supports parental work. Yet while child care subsidies have been shown to increase work, research also shows that they can harm young children’s academic, social, and emotional development if used to pay for poor-quality care.<sup>35</sup> And if subsidies are inadequate to purchase high-quality care, they can also fall short in promoting work because some parents may be reluctant to jeopardize their children’s developmental well-being as a trade-off for improving their financial security.

At the same time, high-quality, educational child care can both incentivize and reward—as well as support—work. Parents care deeply about their children, and many may be additionally motivated to work if employment provides access to good early learning programs, empowering them to further their children’s developmental and financial well-being simultaneously. Coupling work with high-quality child care honors the dignity of parenthood, promoting self-sufficiency while helping parents lay the early groundwork that enables their children to have a better future than their own.

**Child care advances family well-being by supporting children and working parents together.** A focus on adult work to the

exclusion of child development leaves out half the family equation. While having self-sufficient, working parents can benefit children by providing increased income and positive role models, it can also detract from child and family well-being by leaving less time for young children and increasing parental stress.<sup>36</sup>

High-quality child care can fill in gaps left when parents do not have enough time or social capital to invest sufficiently in their children's development. It can strengthen parents' child-rearing skills.<sup>37</sup> And it can both compensate for the effects of parental stress on children, while also removing some of that stress because parents know their children are in a stable, high-quality environment that supports their development. Done correctly, child care advances whole families, helping two generations at the same time and amplifying the impact on each.

### **A Crucial Role for Federal Leadership**

Unlike K–12, early childhood care and education largely remains a decentralized, market-based sector, making it an ideal arena for innovation. Yet pressures for counterproductive regulation and centralized control have been growing rapidly. The federal government plays a large role in public spending on care and education programs for children under five and is well positioned to provide prudent leadership at this pivotal moment for the field.

What is needed now is countering the misguided push for pre-K, facilitating state and local experimentation to align federal funding around advancing families, and promoting rigorous research and innovation that increases our knowledge about what works best for children and families.

**Counter the misguided push for pre-K.** An increasing number of states, both red and blue, are committed to boosting investment in the well-being of disadvantaged young children. Powerful coalitions of K–12 stakeholders are seizing this opportunity to push for expanding pre-K nationwide.<sup>38</sup> The number of states with publicly funded pre-K programs has increased from 10 to 45 since 1980,

and state spending on pre-K has risen from \$2.4 billion in 2002 to almost \$7 billion in 2016.<sup>39</sup>

But tacking a pre-K grade onto often-underperforming public schools is the wrong strategy for supporting vulnerable children and their families. A few hours a day of school for four-year-olds neither serves working parents nor adequately meets the developmental needs of many at-risk children. And pre-K expansion often precludes state spending on more effective early childhood approaches. As states continue to make crucial decisions about new early childhood investments, the federal government can play a timely and invaluable role by highlighting—and even incentivizing—smarter ways to invest in the most disadvantaged children and their families.

**Promote alignment of federal funding streams at the state level around the dual goals of child development and adult work.** The best way for the federal government to advance good early childhood policy is to support the work of leading, innovative states, allowing them to break down government silos and focus on the needs of children and families rather than the demands of bureaucracy.

One promising strategy is for the federal government to experiment with a competitive program that offers waivers enabling leading states to align early care and education dollars around the dual goals of advancing healthy child development and supporting adult work.<sup>40</sup> Using this approach, states could propose five-year pilot projects that increase access to high-quality early learning programs for disadvantaged children from birth through age four and, simultaneously, serve the needs of low-income working parents.

Approved states would be given flexibility to combine their state dollars with CCDF, TANF, and Head Start funds into a single pool, all subject to high, evidence-based standards of quality, established and enforced by the state. Means-tested scholarships would be provided directly to poor and low-income parents to use at the state-approved program of their choice. Providers that meet defined state guidelines—whether public, private, nonprofit, for-profit, center-based, home-based, Head Start, or religious providers—would be eligible

### Minnesota's Early Learning Scholarship Program

Minnesota's Early Learning Scholarship program provides a good model of a market-based, choice-driven approach. The program provides scholarships to poor and low-income families to pay for early care and education at a broad range of state-approved providers.

With support from the business and philanthropic sectors, the state of Minnesota operates Parent Aware, a system that rates the quality of early education providers on a scale of one to four stars. Parent Aware helps parents choose the best place for their child by providing accessible, user-friendly information on providers' locations, characteristics, and quality.

Providers must participate in Parent Aware to qualify for the state's approved-provider network and be eligible to receive scholarship dollars. Over time, providers are required to meet a three- or four-star level to participate and are thus incentivized to raise quality to remain in the network and better attract parents.<sup>41</sup>

for scholarship payments, stressing value for children and families rather than federal funding stream or tax status.

The goal would be to support states in building market-based, choice-driven early childhood systems. These systems would increase the supply of reliable, high-quality early care and education programs that accommodate parents' work schedules, while ensuring that parents have sufficient information and means to make optimal decisions for their children.

This approach eliminates the counterproductive distinction between custodial and developmental settings and incentivizes state innovation and experimentation around how best to serve poor children and working parents. It makes states and programs accountable to parents as the final decision makers for their children. And it empowers parents to choose what is best for their family's well-being and their child's healthy development.

**Advance research and innovation.** Finally, we badly need better knowledge about what works in early learning programs for children from birth to five, both to improve current approaches and inform future action. The federal government has an essential role to play by supporting research on program effectiveness and investing in smaller-scale demonstration projects to test new approaches. Rigorous evaluation should be required of all programs, both established and experimental.

An Early Learning Research Program—modeled on the successful federal Small Business Innovation Research program for technology—could fund the development and testing of entrepreneurial, field-initiated ideas in multiple areas of early learning.<sup>42</sup> An online Federal Clearinghouse on Early Learning could disseminate evidence on existing initiatives, highlight best practices to inform smart policymaking, and spark new thinking on persistent problems.

## Conclusion

The first 60 months are the most crucial developmental period of a child's life. The cognitive, social, and emotional growth that occurs from birth to age five lays the essential groundwork for all future learning and success. And too many children enter kindergarten so far behind that they can never catch up. Improving the well-being of America's youngest, most vulnerable children is crucial to both their life chances and the success of our country as a whole.

Federal early childhood programs play a key role in addressing inequality of opportunity and lack of economic mobility for disadvantaged children. Targeting investment to children's earliest years is sensible policy because it aims to build a strong foundation in the first place rather than trying to fix expensive, preventable problems down the line. Too often, though, our thinking is limited by what currently exists, not driven by what we are actually trying to accomplish. We need new strategies to accomplish our core aim: promoting the well-being of poor children so they can grow into healthy, happy, productive citizens.

The best path forward is to align funding around advancing disadvantaged families through a two-generation human capital development strategy that simultaneously enables adult work and supports young children's learning and development. By amplifying the impact of currently siloed programs and reducing regulatory and fiscal barriers to innovation, this solution-oriented, whole-family approach will increase states' capacity to support strong families and give America's least-advantaged children a fair chance at a good life.

### Notes

1. Richard V. Reeves, *Saving Horatio Alger: Equality, Opportunity, and the American Dream*, Brookings Institution, August 20, 2014, <http://www.brookings.edu/research/essays/2014/saving-horatio-alger#>.

2. US Department of Education, "Summary of Expenditures for Public Elementary and Secondary Education and Other Related Programs, by Purpose: Selected Years, 1919-20 through 2013-14," 2016, [https://nces.ed.gov/programs/digest/d16/tables/dt16\\_236.10.asp](https://nces.ed.gov/programs/digest/d16/tables/dt16_236.10.asp).

3. National Center for Education Statistics, "Gross Domestic Product per Capita and Public and Private Expenditures per Full-Time-Equivalent (FTE) Student, by Level of Education and Country: Selected Years, 2005 Through 2012," 2015, [http://nces.ed.gov/programs/digest/d15/tables/dt15\\_605.10.asp](http://nces.ed.gov/programs/digest/d15/tables/dt15_605.10.asp).

4. Coalition for Evidence-Based Policy, "Evidence-Based Reform: Key to Major Gains in Education, Poverty Reduction, Crime Prevention, and Other Areas of Social Policy," <http://coalition4evidence.org/mission-activities/>.

5. ACT Inc., *The Condition of College & Career Readiness 2015*, 2015, <http://www.act.org/content/act/en/research/condition-of-college-and-career-readiness-report-2015.html>.

6. Raj Chetty et al., "Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility" (working paper, National Bureau of Economic Research, 2014), <http://www.nber.org/papers/w19844>.

7. Tamara Halle et al., *Disparities in Early Learning and Development: Lessons from the Early Childhood Longitudinal Study—Birth Cohort (ECLS-B)*, Child Trends, June 2009, [www.childtrends.org/wp-content/uploads/2013/05/2009-52DisparitiesELExecSumm.pdf](http://www.childtrends.org/wp-content/uploads/2013/05/2009-52DisparitiesELExecSumm.pdf).

8. Anne Fernald, Virginia A. Marchman, and Adriana Weisleder, “SES Differences in Language Processing Skill and Vocabulary Are Evident at 18 Months,” *Developmental Science* 16, no. 2 (2013): 234–48.

9. Betty Hart and Todd R. Risley, “The Early Catastrophe: The 30 Million Word Gap by Age 3,” *American Educator* 27, no. 1 (2003): 4–9, <http://www.aft.org/sites/default/files/periodicals/TheEarlyCatastrophe.pdf>. Vocabulary at age three predicts reading skills in third grade. In turn, third-grade reading skills are a strong predictor of long-term school and life outcomes. A 2009 study, for example, found that about 16 percent of children who were not reading proficiently by the end of third grade failed to complete high school—a dropout rate four times higher than that of proficient readers. Among children who were not reading proficiently at the end of third grade and were poor for at least one year, 26 percent failed to graduate from high school. In contrast, 89 percent of poor children who were reading on grade level by third grade graduated by age 19. Donald J. Hernandez, *Double Jeopardy: How Third Grade Reading Skills and Poverty Influence High School Graduation*, Annie E. Casey Foundation, April 2011, <http://www.aecf.org/m/resourcedoc/AECF-DoubleJeopardy-2012-Full.pdf>. Similarly, failure to complete high school strongly predicts unemployment, incarceration, and single motherhood. More than half (54 percent) of all high school dropouts and more than two-thirds (69 percent) of African American dropouts age 16 to 24 were unemployed in 2008. Nearly 1 in 10 male dropouts and one in four African American male dropouts age 16 to 24 were incarcerated on any given day in 2006–07. Female dropouts of that age were six times as likely to have given birth as peers who were college students or four-year-college graduates. Almost 23 percent were single mothers. Andrew Sum et al., *The Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers*, Center for Labor Market Statistics, October 1, 2009, [http://www.prisonpolicy.org/scans/The\\_Consequences\\_of\\_Dropping\\_Out\\_of\\_High\\_School.pdf](http://www.prisonpolicy.org/scans/The_Consequences_of_Dropping_Out_of_High_School.pdf).

10. Julia B. Isaacs, *Starting School at a Disadvantage: The School Readiness of Poor Children*, Brookings Institution, March 19, 2012, <http://www.brookings.edu/research/starting-school-at-a-disadvantage-the-school-readiness-of-poor-children/>.

11. David M. Quinn, “Kindergarten Black–White Test Score Gaps: Re-Examining the Roles of Socioeconomic Status and School Quality with

New Data,” *Sociology of Education* 88, no. 2 (2015): 120–39, <http://www.asanet.org/sites/default/files/savvy/journals/soe/Apr15SOEFeature.pdf>; and Lisa G. Klein and Jane Knitzer, *Promoting Effective Early Learning: What Every Policymaker and Educator Should Know*, National Center for Children in Poverty, January 2007, [http://www.nccp.org/publications/pub\\_695.html](http://www.nccp.org/publications/pub_695.html).

12. John K. McNamara, Mary Scissons, and Naomi Gutknecht, “A Longitudinal Study of Kindergarten Children at Risk for Reading Disabilities,” *Journal of Learning Disabilities* 44, no. 5 (September/October 2011): 421–30; and Sean F. Reardon, “The Widening Academic Achievement Gap Between the Rich and the Poor,” *Community Investments* 24, no. 2 (Summer 2012): 19–39, [http://www.frbsf.org/community-development/files/CI\\_Summer2012\\_Reardon.pdf](http://www.frbsf.org/community-development/files/CI_Summer2012_Reardon.pdf).

13. Harvard University Center on the Developing Child, *A Science-Based Framework for Early Childhood Policy*, August 2007, <http://developingchild.harvard.edu/resources/a-science-based-framework-for-early-childhood-policy/>.

14. The US Census Bureau has estimated that the undercount of children under age five is about one million children. United States Census Bureau, *The Undercount of Young Children*, February 2014, <https://www.census.gov/content/dam/Census/library/working-papers/2014/demo/2014-undercount-children.pdf>. See also Child Trends Data Bank, *Children in Poverty: Indicators on Children and Youth*, December 2015, [http://www.childtrends.org/wp-content/uploads/2014/01/04\\_Poverty.pdf](http://www.childtrends.org/wp-content/uploads/2014/01/04_Poverty.pdf). An additional 23 percent of children under age six live in low-income families, defined as between 100 and 199 percent of the federal poverty level (FPL). Almost half of all young children thus live in poor or low-income families—that is, below 200 percent of the FPL, which is \$48,500 for a family of four with two children in 2016. National Center for Children in Poverty, February 2016, [http://www.nccp.org/publications/pub\\_1149.html](http://www.nccp.org/publications/pub_1149.html).

15. Medicaid.gov, “Women’s Health,” <https://www.medicaid.gov/medicaid-50th-anniversary/women/women.html>.

16. Jiang, Ekono, and Skinner, *Basic Facts About Low-Income Children*; and Isaacs, *Starting School at a Disadvantage*. Certain factors place children especially at risk of being poor or low income: children under age six living below 200 percent FPL include 69 percent of African American children, 73 percent of children living with a single parent, 72 percent of children

whose parents have only a high school degree, and 87 percent of children whose parents have less than a high school degree.

17. For a discussion of these key factors in reducing poverty, see Lawrence Aber et al., *Opportunity, Responsibility, and Security: A Consensus Plan for Reducing Poverty and Restoring the American Dream*, AEI/Brookings Working Group on Poverty and Opportunity, December 3, 2015, <http://www.aei.org/publication/opportunity-responsibility-and-security/>.

18. According to the GAO, the federal government spent more than \$20 billion on a total of 45 preschool and child care initiatives in 2012. Kay E. Brown, “Early Learning and Child Care: Federal Funds Support Multiple Programs with Similar Goals,” testimony before the Committee on Education and the Workforce, US House of Representatives, February 5, 2014, <http://www.gao.gov/assets/670/660685.pdf>.

19. Katharine B. Stevens, *Renewing Childhood’s Promise: The History and Future of Federal Early Care and Education Policy*, American Enterprise Institute, November 2, 2015, <http://www.aei.org/publication/renewing-childhoods-promise-the-history-and-future-of-federal-early-care-and-education-policy/>.

20. See Aber et al., *Opportunity, Responsibility, and Security*.

21. Head Start, FY2015 Program Information Report (PIR) data, <http://eclkc.ohs.acf.hhs.gov/hslc/data/factsheets/2015-hs-program-factsheet.html>.

22. *Ibid.*

23. See Steve Barnett, Megan Carolan, and David Johns, *Equity and Excellence: African American Children’s Access to Quality Preschool*, Center on Enhancing Early Learning Outcomes, National Institute for Early Education Research, and Rutgers University, November 2013, [http://nieer.org/sites/nieer/files/Equity%20and%20Excellence%20African-American%20Children%E2%80%99s%20Access%20to%20Quality%20Preschool\\_0.pdf](http://nieer.org/sites/nieer/files/Equity%20and%20Excellence%20African-American%20Children%E2%80%99s%20Access%20to%20Quality%20Preschool_0.pdf); Department of Health and Human Services, Administration for Children and Families, *Justification of Estimates for Appropriations Committee, Fiscal Year 2017*, 105–106, [https://www.acf.hhs.gov/sites/default/files/olab/final\\_cj\\_2017\\_print.pdf](https://www.acf.hhs.gov/sites/default/files/olab/final_cj_2017_print.pdf); and Christopher Walters, “Inputs in the Production of Early Childhood Human Capital: Evidence from Head Start” (working paper, Natural Bureau of Economic Research, October 2014), <http://www.nber.org/papers/w20639.pdf>.

24. Revisions to the federal Head Start regulations (called Program Performance Standards) were released in September 2016, reducing them to roughly 1,000 regulations, now consolidated into four broad areas comprising 21 subparts and, within those, 115 sections. See Head Start Performance Standards, 81 Fed. Reg. 172 (Sept. 6, 2016), <https://www.gpo.gov/fdsys/pkg/FR-2016-09-06/pdf/2016-19748.pdf>. The original, much briefer Head Start Performance Standards (with five subparts and 25 sections) were issued in 1975. See Office of Child Development, “Head Start Program Performance Standards,” July 1975, <http://files.eric.ed.gov/fulltext/ED122936.pdf>.

25. US Department of Health and Human Services, Administration for Children and Families, *Head Start Program Facts Fiscal Year 2015*, August 24, 2016, <https://eclkc.ohs.acf.hhs.gov/hslc/data/factsheets/2015-hs-program-factsheet.html>. One study, for example, found that poor single mothers who faced an increased need for child care due to increased employment through welfare and employment programs sought other child care arrangements rather than using Head Start. See Young Eun Chang et al., “The Effects of Welfare and Employment Programs on Children’s Participation in Head Start,” *Economics of Education Review* 26, no. 1 (February 2007): 17–32.

26. Both programs were established through federal welfare reform—the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)—passed in 1996. Aid to Families with Dependent Children (AFDC) was replaced by TANF and administered as a block grant that gives states great flexibility in determining how funds are spent. At the same time, four preexisting child care funding streams—the AFDC Child Care Guarantee, Transitional Child Care, At-Risk Child Care, and the Child Care and Development Block Grant (CCDBG)—were consolidated into the Child Care and Development Fund (CCDF), also referred to as CCDBG, aimed primarily to support working parents.

27. Hannah Matthews and Christina Walker, *Child Care Assistance Spending and Participation in 2014*, CLASP, March 2016, <http://www.clasp.org/resources-and-publications/publication-1/CC-Spending-and-Participation-2014-1.pdf>; and US Department of Health and Human Services, Administration for Children and Families, Office of Child Care, “FY 2014 CCDF Data Tables (Preliminary),” May 26, 2015, <http://www.acf.hhs.gov/occ/>

resource/fy-2014-ccdf-data-tables-preliminary. In 2014, 89 percent of funds were distributed directly to 853,000 families as child care vouchers, and 9 percent were spent in grants or contracts to providers. A total of 369,606 providers received CCDF funds in 2014.

28. Kay E. Brown, “Temporary Assistance for Needy Families: Update on Families Served and Work Participation,” testimony before the Subcommittee on Human Resources, Committee on Ways and Means, US House of Representatives, September 8, 2011, <http://www.gao.gov/assets/130/126892.pdf>. States can choose to transfer up to 30 percent of their TANF funds to CCDBG to fund child care; those funds are then subject to CCDBG requirements. States can also spend TANF funding directly on child care subject to federal TANF rules, which have no health, safety, quality, or reporting requirements.

29. Herbert Hoover, “Address to the White House Conference on Child Health and Protection” (speech, Constitution Hall, Washington, DC, November 19, 1930), <http://www.presidency.ucsb.edu/ws/?pid=22442>.

30. For a history of CCDF, TANF, and Head Start, see Katharine B. Stevens, *Renewing Childhood’s Promise*.

31. In 2014, for example, CCDBG was reauthorized with strongly bipartisan support (passing in the Senate by 88 to 1), expanding its focus to not only assist parents as a work support but also support the healthy development of children by increasing the percentage of low-income children in high-quality care. The 2014 bill stresses child development and learning (neither “development” nor “learning” were mentioned in the earlier bills), setting out new standards for program design, safety, licensing, oversight, and reporting, and requiring that states define program quality and develop plans for improving it.

32. US Department of Health and Human Services and US Department of Education, *High-Quality Early Learning Settings Depend on a High-Quality Workforce: Low Compensation Undermines Quality*, June 2016, <https://www2ed.gov/about/inits/ed/earlylearning/files/ece-low-compensation-undermines-quality-report-2016.pdf>; and Rasheed Malik and Jamal Hagler, *Black Families Work More, Earn Less, and Face Difficult Child Care Choices*, Center for American Progress, August 5, 2015, <https://www.americanprogress.org/issues/early-childhood/news/2016/08/05/142296/black-families-work-more-earn-less-and-face-difficult-child-care-choices/>.

33. ChildCare Aware of America, *Parents and the High Cost of Child Care*, 2015, <http://www.usa.childcareaware.org/advocacy-public-policy/resources/reports-and-research/costofcare/>; and Lynda Laughlin, *Who's Minding the Kids? Child Care Arrangements: Spring 2011*, US Department of Commerce, Economics and Statistics Administration, April 2013, <https://www.census.gov/prod/2013pubs/p70-135.pdf>.

34. See, for example, Katharine B. Stevens and Elizabeth English, *Does Pre-K Work? The Research on Ten Early Childhood Programs—And What It Tells Us*, American Enterprise Institute, April 2016, <https://www.aei.org/wp-content/uploads/2016/04/Does-Pre-K-Work.pdf>.

35. Chris M. Herbst and Erdal Tekin, “Child Care Subsidies and Child Development,” *Economics of Education Review* 29 (2010): 618–38, [http://www.chrisherbst.net/files/Download/C.\\_Herbst\\_Subsidies\\_Child\\_Development.pdf](http://www.chrisherbst.net/files/Download/C._Herbst_Subsidies_Child_Development.pdf).

36. Jay Belsky, “Effects of Child Care on Child Development in the USA, 2006,” in *The Quality of Early Childhood Education*, ed. J. J. van Kuyk (Arnhem, The Netherlands: Cito), 23–32, [http://www.imfcanada.org/sites/default/files/effects\\_childcare\\_development\\_belsky.pdf](http://www.imfcanada.org/sites/default/files/effects_childcare_development_belsky.pdf); and Chris M. Herbst and Erdal Tekin, “Child Care Subsidies, Maternal Well-Being, and Child-Parent Interactions: Evidence from Three Nationally Representative Datasets” (working paper, National Bureau of Economic Research, January 2012), <http://www.nber.org/papers/w17774.pdf>.

37. See NICHD Early Child Care Research Network, “Child Care and Mother-Child Interaction in the First Three Years of Life,” *Developmental Psychology* 35, no. 6 (1999): 1399–413.

38. See, for example, “Framing the Future” published by the Pre-K Coalition, a collaboration of seven national K–12 organizations—the American Association of School Administrators, American Federation of Teachers, Council of Chief State School Officers, National Association of Elementary School Principals, National Association of State Boards of Education, National Education Association, and National School Boards Association—focused on establishing a P–12 public school system. Pre-K Coalition, “Framing the Future: Addressing Pre-K in ESEA,” May 2011, <http://www.centerforpubliceducation.org/Main-Menu/Pre-kindergarten/Thinking-P-12-The-school-board-role-in-pre-k-education/Framing-the-Future-Addressing-Pre-K-in-ESEA.pdf>.

39. Education Commission of the States, “State Pre-K Funding for 2015-16 Fiscal Year: National Trends in State Preschool Funding,” January 2016, [http://www.ecs.org/ec-content/uploads/01252016\\_Prek-K\\_Funding\\_report-4.pdf](http://www.ecs.org/ec-content/uploads/01252016_Prek-K_Funding_report-4.pdf).

40. This approach builds on two existing federal programs. The first is the successful Early Learning Challenge, a competitive grants program launched in 2011 and jointly administered by the US Departments of Education and Health and Human Services, which funded the efforts of 20 winning states to design and implement an integrated system to improve the quality of early learning and development services and to close the achievement gap for children with high needs. Several of those states are now national leaders in early childhood policy and practice. See US Department of Health and Human Services, Administration for Children and Families, Office of Early Childhood Development, *Race to the Top—Early Learning Challenge*, [www.acf.hhs.gov/programs/ecd/early-learning/race-to-the-top](http://www.acf.hhs.gov/programs/ecd/early-learning/race-to-the-top). The second is the Preschool Development Grants program authorized under the ESSA Act of 2015, based in the Department of Health and Human Services and jointly administered with the Department of Education. The purpose of the program is to coordinate early childhood education programs in a mixed delivery system of providers including schools, licensed child care centers, Head Start, and other community-based organizations aimed to prepare disadvantaged children for kindergarten. See Department of Health and Human Services, Administration for Children and Families, *Justification of Estimates for Appropriations Committee*, 118.

41. For more information, see Parent Aware for School Readiness, “MELF Archive,” <http://www.pasrmn.org/MELF/index>; Parent Aware, “Home,” <http://parentaware.org/>; and ParentAwareRatings, “The MELF Story,” YouTube video, posted February 15, 2012, <https://www.youtube.com/watch?v=19MviDASO9Q>.

42. For a similar proposal, see Center for Evidence-Based Policy, *Proposed Social Spending Innovation Research (SSIR) Program: Harnessing American Entrepreneurial Talent to Solve Major U.S. Social Problems*, February 2015, <http://coalition4evidence.org/wp-content/uploads/2015/02/Proposed-Social-Spending-Innovation-Research-SSIR-program.pdf>.