
OREGON'S CHILD CARE AND EARLY EDUCATION CRISIS

Research-based Solutions for
Options, Financing and Equity

OREGON FAMILY IMPACT SEMINAR 2020

Hallie E. Ford Center for Healthy Children and Families

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Oregon State University

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based on presentations by

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PURPOSE OF THE OREGON FAMILY IMPACT SEMINAR AND THIS REPORT

The Oregon Family Impact Seminar connects state policymakers with national experts and the best scientific evidence on topics of current interest. It fosters learning in a nonpartisan, solution-oriented way, with a focus on the impact of policies on families. The seminar is intended for state legislators, agency heads and other leaders.

As part of Oregon State University's land grant mission, the seminar is organized by the College of Public Health and Human Sciences, the Hallie Ford Center for Healthy Children and Families, and OSU's Extension Family and Community Health.

Each Oregon Family Impact Seminar emphasizes:

A family-impact perspective

Seminars provide policymakers with the information that they need to determine whether policy supports or hinders families in their efforts to foster wellbeing for their members.

The latest scientific information

Seminars feature nationally-recognized researchers and policy analysts who present nonpartisan, state-of-the-art information on a range of policy options, without advocating for specific policies.

A neutral, nonpartisan setting

Seminars provide a politically-neutral setting and atmosphere for policymakers to discuss issues and find common ground for policy development.

This report is a summary of key messages from the 2020 seminar. The goal is to present research-based trends, issues, and policy options on the important topic of early child care and education.

The 2020 Oregon Family Impact Seminar was titled:

**“Oregon’s Child Care and Early Education Crisis:
Research-Based Solutions for Options, Financing,
and Equity”**

The Oregon Family Impact Seminar is a member of the Policy Institute for Family Impact Seminars. Additional information about this national organization, including seminars held in other states, can be found at <http://familyimpactseminars.org>.

For more information about the Oregon Family Impact Seminar, please visit <http://health.oregonstate.edu/hallie-ford/family-impact-seminar-series>

or contact familyimpact@oregonstate.edu.

PRESENTERS

THE 2020 OREGON FAMILY IMPACT SEMINAR FEATURED THE FOLLOWING SPEAKERS:



[Iheoma U. Iruka, Ph.D.](#), is a research professor of Public Policy and Director of the Equity Research Action Coalition Program at the Frank Porter Graham Child Development Institute, University of North Carolina at Chapel Hill, North Carolina.

Dr. Iruka's work focuses on how evidence-informed policies, systems, and practices in early education can support the optimal development and experiences of children from low-income and ethnic minority households. She has been engaged in addressing how best to ensure excellence for young diverse learners, especially Black children, such as through development of a classroom observation measure, examination of non-traditional pedagogical approaches, public policies, and publications.



[Elizabeth E. Davis, Ph.D.](#), is a professor of Applied Economics at the University of Minnesota-Twin Cities in St. Paul, Minnesota.

Dr. Davis has written extensively on economics and public policy related to low-income families, child care and early education, and low-wage and rural labor market issues in the U.S. Her research has examined child care costs, the dynamics of participation in the child care subsidy program, why parents stop using child care subsidies, disparities in access to high-quality child care, and the connection between parents' employment and child care choices.



[Ajay Chaudry, Ph.D.](#), is a research scholar at New York University's Institute for Human Development and Social Change and Robert F. Wagner Graduate School of Public Services.

Dr. Chaudry's work centers on improving children's well-being and development, early care and education, human services programs, and immigration. He is the author of *Putting Children First: How Low-Wage Working Mothers Manage Child Care*, and co-author of *Cradle to Kindergarten: A New Plan to Combat Inequality*.

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GOAL AND ORGANIZATION OF THIS REPORT

This report summarizes key points from the 2020 Oregon Family Impact Seminar, hosted on September 16, 2020. The seminar, titled “Oregon’s Child Care and Early Education Crisis: Research-Based Solutions for Options, Financing and Equity,” was designed for state legislators, agency heads, and other leaders.

This report addresses the following topics:

- 1) Why high-quality early care and education is essential for children and families
- 2) The current early care and education landscape in Oregon
- 3) Principles to guide future policy decisions for equitable and effective early care and education

HIGH-QUALITY EARLY CARE AND EDUCATION (ECE): AN ESSENTIAL SUPPORT FOR CHILDREN AND FAMILIES

*ECE has the potential to stabilize Oregon’s families and reduce racial inequalities for current and **future** generations.*

The Oregon Early Learning Division defines ECE as “care that occurs outside a child’s home, including child care centers, family child care homes, preschool programs, and Head Start/Early Head Start programs.”¹

Providing care for children is one of the family’s most central functions. Today, two thirds of young children have working parents where families must negotiate competing demands of work and their child’s care.² In the absence of other family policies to provide economic support – such as paid leave and adequate child benefits – the burden of managing care and work falls disproportionately on mothers. Oregon’s ECE system is designed to provide child care options that enable parents to maintain work, support their families, and participate fully in the economy. Access to high quality ECE also promotes positive child development. Setting a strong foundation for development early in life is critical for children to thrive as they

grow up. Early childhood is a period of rapid brain development, when the neurological foundation for cognitive, social, and emotional development is formed.³ Children’s experiences during this period have an impact on development that is noticeable by kindergarten and has lifelong consequences.

Experiences of racism and poverty can be detrimental to early development. In the United States, racism and poverty come hand-in-hand and can be challenging to disentangle. Racism directly leads to income and wealth disparities between more dominant racial-ethnic groups (e.g., White) and historically oppressed racial-ethnic groups (e.g., Black, Latin and Native people). Disparities in cognitive skills and school readiness related to family income are evident by entry into kindergarten.⁴ The economic costs of these gaps to society is high: by adulthood, children who grew up in poverty are more likely to have reduced lifetime earnings, be involved in crime, and incur higher health care costs.⁵ Additionally, the effects of interpersonal racism have been shown to negatively affect early development. Experiences of racism can activate children’s stress response systems for extended periods of time, which can lead to excessive wear and tear on biological systems and ultimately cause lifelong effects on learning, behavior, and health.⁶

Access to high-quality ECE can reduce the consequences of inequalities that stem from poverty and race benefiting the individual child, their family, and society.⁴ Evidence suggests that supporting young children’s cognitive, social, and emotional development through ECE yields greater health and wellbeing into adolescence and adulthood. To achieve the economic and developmental benefits of ECE (e.g., near and long-term academic gains, fewer criminal arrests),⁷ care must be provided by skilled educators who are both responsive and cognitively stimulating, in an environment with an age-appropriate child-to-adult ratio.^{8,9}

Relative to later investments, early investments in children are associated with higher rates of return.¹⁰ Investing early in high-quality ECE benefits children, families, and society.

THE CURRENT ECE LANDSCAPE IN OREGON: CHALLENGES OF SUPPLY, EQUITABLE ACCESS, AND FINANCING

ECE IS A SCARCE RESOURCE IN OREGON

Despite the tremendous importance and value of high-quality ECE, Oregon falls short of being able to meet the child care placement needs of families. In figure 1, the orange colors show that there is a low supply of child care throughout the state. There are only enough regulated child care slots for fewer than a quarter of the population of children ages 0-5. The story is particularly concerning for infants and toddlers, where there are roughly 8 infants and toddlers (age 0-2) for every regulated slot. Indeed, all 36 counties are “child care deserts” for this age group.*¹¹

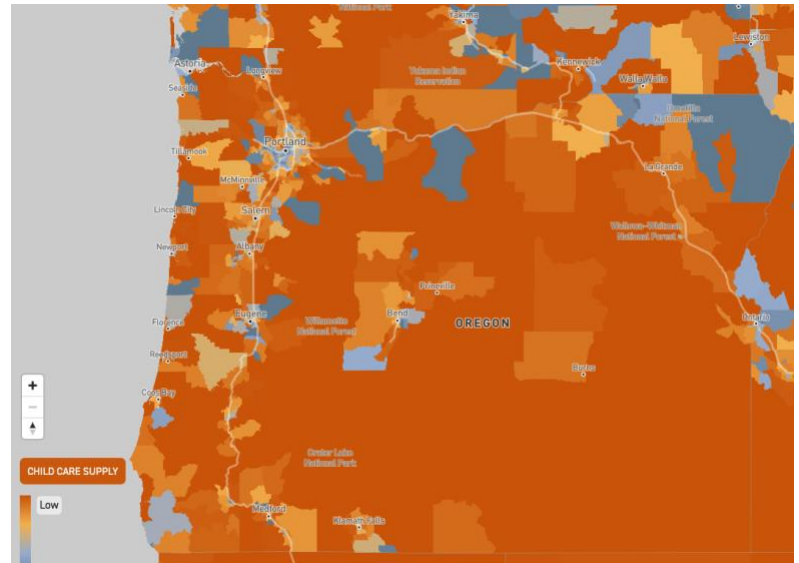


FIGURE 1. OREGON’S CHILD CARE DESERT

SOURCE: [HTTPS://CHILDCAREDESERTS.ORG/](https://childcaredeserts.org/)

What is more, **access to ECE is not distributed equitably**. Families with higher incomes enroll in ECE at higher rates than families with lower incomes (defined as a percentage of the federal poverty line, see Figure 2).² And, because race and low income both present barriers to access, racial/ethnic minorities are not as likely to be able to enroll their children in one of the few ECE slots. Further, though preschool is commonly attended by 3- and 4- year-olds in higher income families, almost half of young children from lower families are not attending preschool.

This material was published by the Center for American Progress (online)

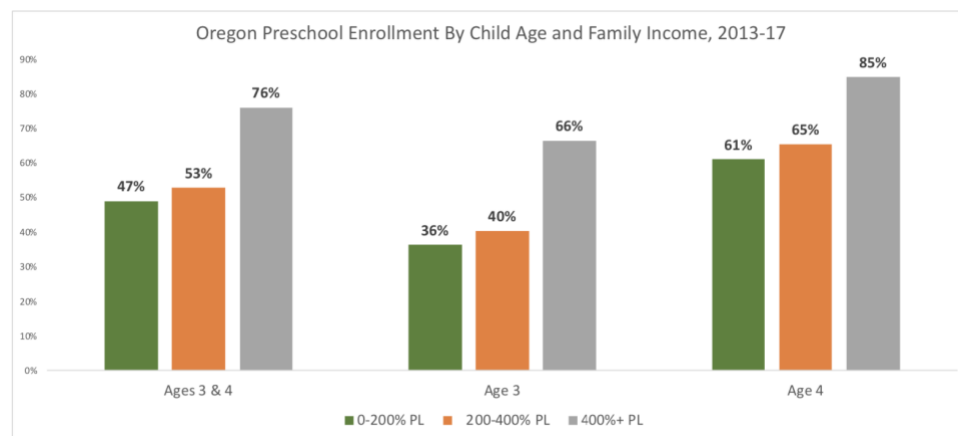


FIGURE 1. OREGON PRESCHOOL ENROLLMENT, 2013-2017

SOURCE: CHAUDRY ET AL., 2019

KEY
■ 0-200% of the Federal Poverty Line
■ 200-400% of the Federal Poverty Line
■ 400%+ of the Federal Poverty Line

* Desert estimates are a comparison of the total population of children with total number of slots; a family’s ability to use those slots is more complex and takes into account issues such as affordability, convenience and fit. These estimates cannot take into account part-time programs which allows multiple children to be served by a single slot.

INEQUALITIES IN ACCESS ARE ROOTED IN OREGON'S HISTORY

When Oregon became a state in 1859, the constitution both prohibited slavery and barred free Blacks from living in the state.¹² Like all other states, Oregon was also founded on land seized from Native Americans. This legacy of racial discrimination and dispossession in Oregon has contributed to unequal access to earnings and wealth creation, which continues to have many legacies today, including inequitable access to ECE.

“THE EFFECTS OF SYSTEMIC FACTORS ARE BY NO MEANS DETERMINISTIC, BUT THEY DO HELP SET THE ODDS. WHEN DIFFERENT ODDS PLAY OUT OVER TIME, THEY GENERATE DIFFERENT SYSTEMIC LIFE OUTCOMES AND HAVE IMPLICATIONS FOR STATE DOLLARS.”

-Dr. Iheoma Iruka

Missing out on the opportunity for high-quality ECE during the foundational early years means that racial-ethnic minority children are more likely to arrive at kindergarten with fewer cognitive, social, and emotional skills—that is, **less ready for school**—than their peers who were able to attend high-quality ECE. The ECE system drives disparities, and without systematic change it will continue to do so. This problem will be heightened as Oregon's population grows more diverse, as is illustrated in Figure 3. Oregon's Hispanic population in particular is expected to grow substantially in the coming decades. While Native Americans are not represented explicitly in Figure 3, at least 2% of Oregon's population in 2019 was Native American.

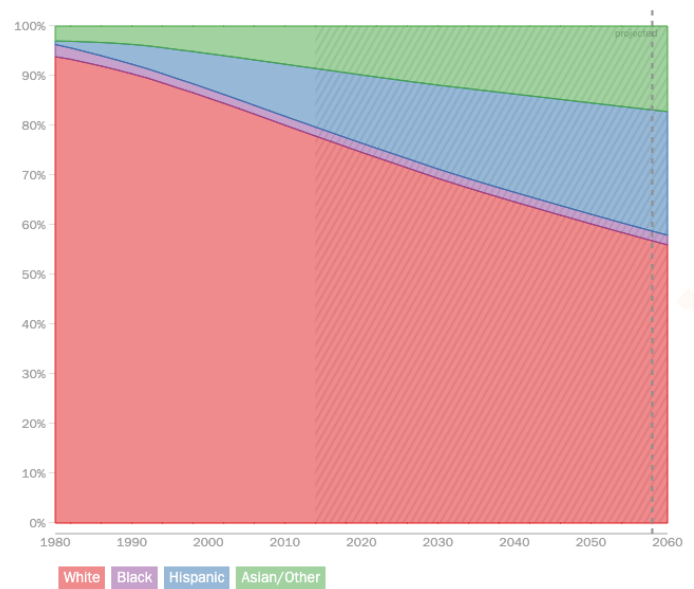


FIGURE 3. DIVERSIFICATION OF OREGON'S POPULATION, 1980-2060

SOURCE:

[HTTPS://WWW.AMERICANPROGRESS.ORG/ISSUES/DEMOCRACY/NEWS/2015/02/24/107166/INTERACTIVE-THE-DEMOGRAPHIC-EVOLUTION-OF-THE-AMERICAN-ELECTORATE-1980-2060/](https://www.americanprogress.org/issues/democracy/news/2015/02/24/107166/interactive-the-demographic-evolution-of-the-american-electorate-1980-2060/)

CURRENT FINANCING LIMITS EQUITABLE ACCESS TO HIGH-QUALITY ECE

The gap between the price of high-quality ECE and parents' ability to pay is a major obstacle for most Oregon families. The bulk of financing for child care in Oregon is private – paid for by families – which means that ECE is more available to families who can afford the high price of tuition. Monthly tuition for center-based care for toddlers is about \$1,400.¹³ Families pay for 72% of ECE in Oregon; the rest of the funding comes from federal (19%) and state (9%) sources.¹

Further, most public expenditures on children occur when they are between 5 and 19 years old, with the biggest proportion of expenditures on children over age 10. This leaves families burdened with financing ECE during the early years of a child's life, when brain growth is greatest and younger families typically have fewer economic resources (see Figure 3). Increasing public investment in early years could reduce this burden on younger families.

Additionally, the current administrative structure of child care subsidies targets very low-income families. Despite this targeting, access problems for the very lowest-income families persist. For example, in 2015, child care subsidies reached only 17% of eligible children, a proportion that has decreased since 2006.¹⁴ The number of children served by subsidies has decreased from 25,000 in 1999 to 15,000 in 2015.¹ Insufficient funding is the primary reason for the low percentage of eligible children served and also limits the adequacy of assistance provided. Even with subsidies, the cost of child care is very expensive. With a subsidy, a single parent earning \$25,000 per year is expected to pay about \$4,800 per year for child care, which is about 20 percent of their income. Families making more than \$25,000 are expected to pay an even higher share of their income, making ECE out of reach for many families.²

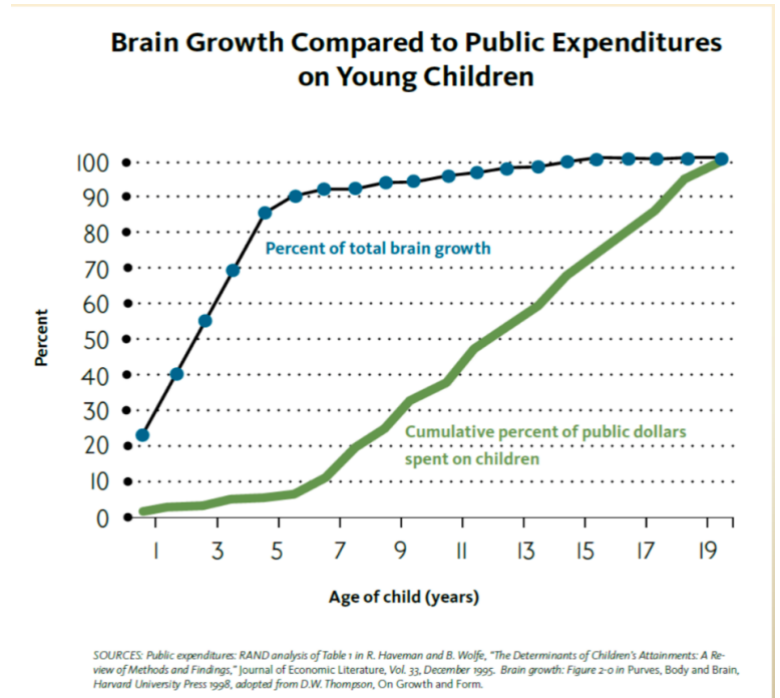


FIGURE 3. BRAIN GROWTH COMPARED TO PUBLIC EXPENDITURES ON YOUNG CHILDREN

SOURCE: [HTTPS://DSS.MO.GOV/](https://dss.mo.gov/)

ECE FINANCING LANDSCAPE AND IMPLICATIONS FOR OREGONIANS

Finally, ECE financing in Oregon is both underfunded and extremely complex. The colorful lines at the base of the funnel in Figure 4 represent the multiplicity of funding streams that currently exist in the ECE landscape. Governments (federal, state, and local) create programs (e.g., Head Start, Child Care and Development Fund child care subsidies, Preschool Promise) that are delivered to families through providers who are working with a variety of public agencies. The agencies often have little or no cross-agency coordination. Providers often must work with multiple public agencies, and families are often eligible for multiple programs. Families struggle to find what assistance is available and providers have to meet multiple sets of typically duplicative requirements. Administering this array of funding streams along with various eligibility criteria and reporting requirements places undue burden on child care providers and families alike.

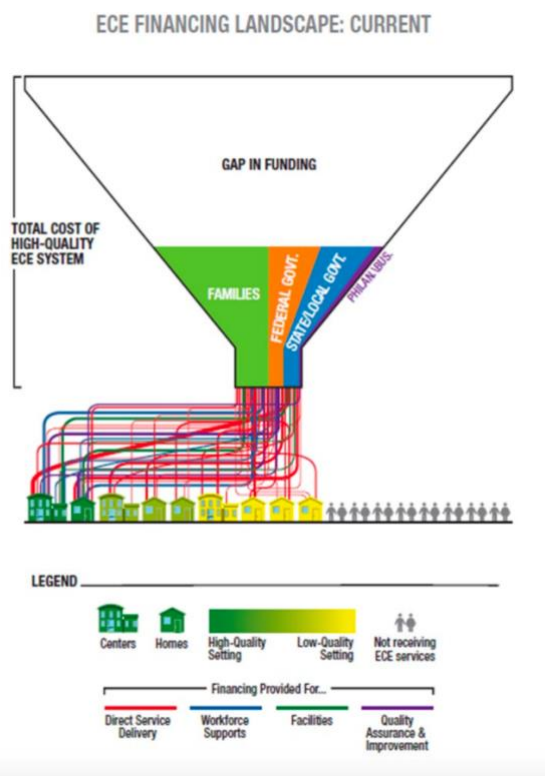


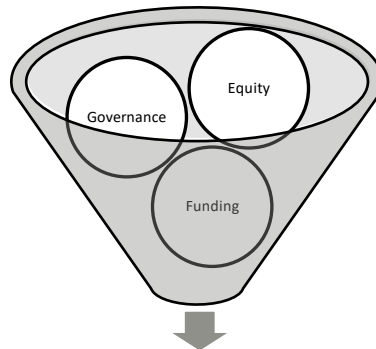
FIGURE 4. THE ECE FINANCING LANDSCAPE

SOURCE: NASEM, 2018

For example, a family may be eligible for multiple programs at once, such as a child care subsidy administered by the Oregon Department of Human Services (ODHS), a slot in a Head Start program, a Preschool Promise slot, or a slot in a locally funded ECE program. Few, if any, parents know of all of these programs nor do they have information needed to determine which is best for their family. Meanwhile, providers typically face redundant sets of requirements to deliver the same ECE service depending on which program is being utilized. For example, a Head Start program that participates in additional state programs has to meet federal standards and state requirements, while the subsidy program and Preschool Promise have contract requirements for ODHS or the Early Learning Division. The result is that the array of programs available, which are intended to improve access to child care, are unintentionally inaccessible and confusing for both families and providers to navigate.

Taken together, this financing landscape has tremendous effects on society. Nationally, the inadequate child care supply results in an estimated loss of \$57 billion dollars per year in productivity, earnings, and revenue.¹⁵ Reducing inequalities in childhood is critical to promoting state prosperity. Because of the known benefits of high-quality ECE, improving equitable access to ECE could help mitigate the intergenerational transmission of poverty and inequality.

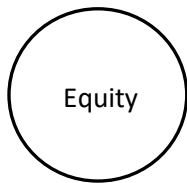
PRINCIPLES FOR POLICYMAKERS TO BUILD A MORE EQUITABLE AND EFFECTIVE STRUCTURE FOR ECE



Family-centered solutions

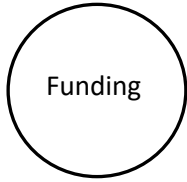
FIGURE 2. FAMILY-CENTERED SOLUTIONS FOR EQUITABLE AND EFFECTIVE ECE

To create more equitable and effective solutions for families in Oregon, policymakers should consider **Equity, Governance, and Funding** of ECE. Seminar speakers offered these principles to help guide action:



- Principle 1: Acknowledge the historical influence and current state of economic and racial/ethnic segregation on the ECE system
- Principle 2: Use a family-centered approach when creating policies and programming, focused on what families need to be engaged in core family functions of work and care
- Principle 3: Identify and remedy funding mechanisms that may be inadvertently promoting inequities

- Principle 4: Identify specific ECE funding streams at play, and how they function both individually and together. Consider the extent to which they do (or do not) make sense from the perspective of families with low- to moderate-incomes
- Principle 5: Effectively harmonize funding streams to support a coordinated mixed delivery system
- Principle 6: Support and incentivize “high-quality” delivery of ECE



- Principle 7: Aim to achieve more public investment to lessen the burden placed on families
- Principle 8: Ensure adequate funding so that subsidies are available and accessible to working families across the income distribution
- Principle 9: Support a diverse, well-compensated, and professionally supported workforce

A forthcoming report, titled “A Cradle to Kindergarten Plan for Oregon” by Chaudry, Morrissey, and Weiland, provides an example of how these principles may inform policy development in Oregon.

SUMMARY

Oregon families live in a catch-22 where working parents need child care solutions in order to work, but high-quality child care solutions are either unavailable or unaffordable for most families. This conundrum is especially pronounced for families of color, low-income families, and rural families. Families who do seek financial support for ECE are faced with a tremendously complex system of administration and financing which both families and providers are poorly positioned to comprehend and engage.¹⁶ Developing policies to ensure that families' youngest members thrive requires both removing roadblocks that hinder parents' efforts *and* actively creating opportunities for families.

This family-centered approach can help improve Oregon's policies governing ECE systems and, in turn, its outcomes as a state.

When administered effectively, high-quality ECE can serve both as a stable support for Oregon's families and as a developmental intervention for young children. However, due to the complexity of Oregon's ECE administration and funding mechanisms, significant access problems are common for low- and moderate-income families.

Three national experts, Dr. Iheoma Iruka (The University of North Carolina at Chapel Hill), Dr. Elizabeth Davis (University of Minnesota), and Dr. Ajay Chaudry (New York University) presented scientific evidence and policy options for how ECE can improve child and family outcomes.

Key messages from the 2020 Oregon Family Impact Seminar include:

- High-quality ECE has the potential to mitigate the detrimental influences of racism and poverty on young children during a critical period of their development.
- ECE is a scarce resource in Oregon, and is not distributed equitably across the state, especially in rural areas and in communities in which family incomes are low.
- Increasing public investment in ECE and reducing private contributions of families would reduce the financial burdens on Oregon families.
- Coordinating and harmonizing Oregon's ECE funding streams and programming can improve experience and outcomes for the ECE workforce and families accessing services.

SELECTED RESOURCES

For further information, we suggest reviewing the selected resources below.

START WITH EQUITY: 14 PRIORITIES TO DISMANTLE SYSTEMIC RACISM IN EARLY CARE AND EDUCATION, 2020

- <https://fpg.unc.edu/publications/start-equity-14-priorities-dismantle-systemic-racism-early-care-and-education>

TRANSFORMING THE FINANCING OF EARLY CARE AND EDUCATION, 2018

- <https://www.nap.edu/catalog/24984/transforming-the-financing-of-early-care-and-education>

THE DISCONNECT BETWEEN RESOURCES AND NEEDS WHEN INVESTING IN CHILDREN, 2016

- <https://obamawhitehouse.archives.gov/blog/2016/12/22/disconnect-between-resources-and-needs-when-investing-children>

CHILD CARE IN STATE ECONOMIES: COMMITTEE FOR ECONOMIC DEVELOPMENT, 2019

- <https://www.ced.org/childcareimpact>

THE STATE OF EARLY CARE & EDUCATION AND CHILD CARE ASSISTANCE IN OREGON, 2019

- <https://oregonearlylearning.com/wp-content/uploads/2020/01/State-of-ECE-in-Oregon-ELD-Dec.-2019.pdf>

OREGON PRESCHOOL LEGISLATIVE REPORT, 2017

- https://oregonearlylearning.com/wp-content/uploads/2017/04/Oregon-Preschool-Legislative-Report_020917.pdf

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