CONNECTIONS BETWEEN CRA AND THE EARLY CARE AND EDUCATION SECTOR

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RELATIONSHIPS INFLUENCE BRAIN ARCHITECTURE

At Birth

At 6 Years Old

At 14 Years Old

Source: Chugani, Phelps & Mazziotta (1987)
RETURN ON INVESTMENT

EVIDENCE FROM LONGITUDINAL EARLY CHILDHOOD STUDIES

Perry Preschool
  • Schweinhart: $16 to $1
  • Heckman: $7–$12 to $1

Abecedarian Educational Child Care
  • Barnett: $4 to $1
  • Heckman: $7 to $1

Chicago Child-Parent Center
  • Reynolds: $10 to $1

Elmira Prenatal/Early Infancy Project
  • Karoly: $5 to $1

Sources: Garcia, Heckman, Leaf, & Prados (2016); Heckman, Moon, Pinto, Savelyez, & Yavitz (2010); Karoly, et al. (1998); Masse & Barnett (2002); Reynolds, Temple, White, Ou, & Robertson (2011); Schweinhart, et al. (2005)
EARLY CARE AND EDUCATION SECTOR

- Center-based child care
- Home-based family child care
- Private preschool
- Public preschool
- Head Start and Early Head Start

Non-licensed providers refer to informal arrangements with a family member, friend, or neighbor
## LOSSES TO THE MONTANA ECONOMY CAUSED BY INADEQUATE CHILD CARE, 2019

<table>
<thead>
<tr>
<th></th>
<th>Loss to households with children ages zero to five years</th>
<th>Loss to businesses</th>
<th>Loss to taxpayers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average per household with children ages zero to five years</td>
<td>$5,700</td>
<td>$2,150</td>
<td>$1,260</td>
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<tr>
<td>State total</td>
<td>$145.1 million</td>
<td>$54.6 million</td>
<td>$32.0 million</td>
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</tbody>
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Source: Bureau of Business and Economic Research, University of Montana (Missoula).
EARLY CARE AND EDUCATION BUSINESS MODEL CHALLENGES

- On average families with young children have less income than other families
- Providers can’t reduce staff without compromising safety or quality
- Government-funded subsidies fall short of covering provider costs
- Providers often lack experience with operating a business
CONNECTIONS BETWEEN CRA AND EARLY CARE AND EDUCATION

• Lending: Many providers are small businesses
• Investments that meet CRA’s definition of community development
• Bank employees volunteer financial expertise to providers
• Key factors:
  • Share of children served that qualify as low- and moderate-income based on their families’ income
  • Geographic location


