



Early Care and Education Helps Nebraska's Economy Grow

The Economic Impact of the Nebraska Early Care and Education Industry Report: May 2007

“... policies [such as early childhood programs] that boost our national investment in education and training can help reduce inequality while expanding economic opportunity.”

– Ben S. Bernanke,
Chairman of the Federal Reserve Board, addressing the Greater Omaha Chamber of Commerce on February 6, 2007.

Summary of Findings

Impact on Workforce



The early care and education industry is essential to Nebraska's growing workforce and economy. Compared to other states, Nebraska has one of the highest percentages of households in which all available parents work. This means that Nebraska's workers need access to high-quality, affordable care for their children. It also means that Nebraska's children need the benefit of quality early experiences in order to fill the demand for highly skilled workers in the future.

Impact on Revenues



A recent study conducted by the University of Nebraska-Lincoln on behalf of the Early Childhood Interagency Coordinating Council (ECICC) shows that Nebraska's early care and education industry employs tens of thousands of people, serves about 100,000 children in licensed care, and generates state revenues comparable to that of the state's major industries. This industry not only serves Nebraska's workers today, but prepares children to be successful as students and professionals later in life.

Early Care and Education in Nebraska



Employs over 12,000 people (including self-employed) in 7,600 small businesses. These businesses are based in the state, can't be relocated and are largely owned and operated by Nebraska residents.



Impacts the learning and development of 100,000 children through licensed early care and education programs. Research demonstrates that children who experience quality care and education are more likely to succeed in school and have higher levels of personal incomes as working adults.



Produces over \$640 million in gross revenue receipts. That amounts to one-quarter of Nebraska's annual cash receipts from corn production.



Results in a total economic impact of over \$240 million annually. This impact is the result of increased commercial and consumer activity driven by the early care and education industry.



Increases Nebraska's available workforce. For example, two federal programs alone that support early care and education in Nebraska allowed over 4,000 more parents to enter the workforce. This figure does not include the positive impact from other programs, such as Head Start.

Recommendations

1. Recognize and support the contribution of early childhood care and education to the state's economy by:

- a. Integrating child care in economic development planning at state and local levels.
- b. Integrating child care in Workforce Development in the Nebraska Department of Labor.
- c. Engaging chambers of commerce in the inclusion of child care as a critical part of local business, economic development and growing strong neighborhoods.
- d. Investing in the early care and education workforce.

2. Ensure adequate, sustainable financing for the industry by:

- a. Maintaining state investment of funds in early care and education to leverage the maximum amount of federal dollars available.
- b. Maximizing public-private partnerships to capture private commitments to improving access to quality early care and education for low income children and their families.
- c. Funding the child care subsidy income eligibility rate at 185% of poverty.
- d. Expanding Nebraska's Early Childhood Education Grant program to increase the availability of collaborative community-based prekindergarten for all 3 and 4 year olds.

3. Promote and support quality in early childhood care and education by:

- a. Enhancing and sustaining the development of the early childhood workforce through training, education and compensation.
- b. Developing a voluntary quality rating system for early childhood care and education.
- c. Expanding support for early childhood education scholarships in Nebraska in anticipation of increased demands for certified early childhood teachers related to increased numbers of programs.
- d. Developing best practice models to inform the development of programs serving children birth to age three that will be funded through the Early Childhood Education Endowment.

The early care and education industry is large, vibrant, and exists in nearly every county in Nebraska. It is ingrained into the state's infrastructure in such a way that it allows many additional parents to participate in the workforce. This generates more economic growth, which in turn raises the standard of living as measured by per capita income.

One of Nebraska's greatest resources is its human capital. One way to ensure that this precious resource continues to thrive is to invest in early care and education. Nationally, economists estimate up to a \$17 return on every \$1 invested in quality early education programs. Parents are also able to be better workers when they know their children are receiving the best care possible. Most importantly, when children receive the opportunity to succeed in school, they are able to lead more productive, fulfilling lives.

