
BUILDING A BUSINESS

New evidence that quality matters— especially for boys

Educators have long known that the higher the quality of early care and education, the higher the outcomes of children as adults.

Now a new study by three economists at the University of Chicago adds fresh evidence that high quality care matters, and it matters especially for boys.

“According to the new paper, the boys who attended a program with enriching activities, qualified faculty, and a nurturing environment were between 11 percent and 19 percent more likely than boys in a lower-quality facility to be employed by age 30. They also made between \$19,000 and \$24,000 more. And these monetary effects are not limited to the individual men. Society as a whole received an economic boon from these high-quality childcare facilities because the men enrolled in them were also less likely than the men who’d been enrolled in lower-quality facilities to commit costly crimes” (Glatter 2017).

Girls do benefit from high-quality programs, but not as much as boys. The reason may be that girls mature faster and can cope better with stressful situations at a young age. Girls attending high-quality programs were between 13 and 25 percent more likely to graduate from high school, 13 percent more likely to graduate from college, and between 8 and 13 percent more likely to have a job at age 30 than girls who attended low-quality programs.

Boys enrolled in a low-quality program, which researchers said might be described as a “child warehouse,” can actually be harmed. Researchers believed boys in disadvantaged environments might be better off staying home with a caring parent who supplies love and encouragement.

Offering high-quality care free or helping parents pay for it would be expensive, but it would materially improve women’s employment and pay. Over the long-term among low-income families, “it can propel generations of children toward increased earnings, better jobs, improved health, more education, and decreased criminal activity as adults” (Miller 2017).

How to achieve high quality?

Programs can get accredited as a quality provider by a national organization, such as the National Association for the Education of Young Children (NAEYC), the National Association for Family Care, and the National After-School Association. The National Head Start Association offers a credentials program for its family and health services providers.

The process typically involves self-evaluation, staff training, parent involvement, on-site visits, and other components. The most important indicator of a high-quality program is a well-trained and caring staff. Ideally all staff will have a credential, such as the CDA (Child Development Associate), or a college degree in child development or early childhood education.

PHOTO BY SUSAN GAETZ



The new paper, from the National Bureau of Economic Research, was written by Jorge Luis Garcia, James Heckman, and Anna Ziff of the University of Chicago. They analyzed the effects of two programs serving disadvantaged children in North Carolina (ABC and CARE) in the early 1970s. Previously, in 2009, Heckman, a Nobel Laureate, and other colleagues found a high rate of return to the High/Scope Perry Preschool Program.

For more information about the new study:
Glatter, Hayley. May 25, 2017. Why expanding access to child care isn't enough. *The Atlantic*, www.theatlantic.com/education/archive/2017/05/why-expanding-access-to-child-care-isnt-enough/528012/.

Institute for New Economic Thinking. Dec. 12, 2016. Heckman Study: Investment in Early Childhood Education Yields Substantial Gains for the Economy, www.ineteconomics.org/perspectives/blog/heckman-study-investment-in-early-childhood-education-yields-substantial-gains-for-the-economy.

Miller, Claire Caine. April 20, 2017. How child care enriches mothers, and especially the sons they raise. *The New York Times*, www.nytimes.com/2017/04/20/upshot/how-child-care-enriches-mothers-and-especially-the-sons-they-raise.html.

For information about accreditation:
National Association for Family Child Care, www.nafcc.org/Accreditation.

National Association for the Education of Young Children, www.naeyc.org/accreditation.

National After-School Association, www.ccrn.com/index.php?option=com_content&task=view&id=25&Itemid=34.

For information about the CDA credential:
Council for Professional Recognition, www.cda-council.org/about/cda-credential.

You can also check with the child development department of your local community college. ■

BUILDING A BUSINESS

A contingency fund can ease cash-flow problems

Janet, who has recently been hired as director of a new after-school child care program, is having lunch with Kate, an accountant friend.

“Staying afloat depends on parents paying fees on time,” Janet says. “What if someone moves or gets sick or is just late in paying?”

“One solution is a contingency fund,” Kate says. “This is a special pot of money set aside to handle unexpected shortfalls. You can also use it in emergencies—your AC goes out, for instance.”

“Tell me more,” says Janet.



Having a contingency, or reserve, fund can improve your program’s financial stability and your own peace of mind. This fund consists of cash or other assets, such as certificates of deposit, that essentially serve as a back-up or savings account.

You can use the fund to cover unexpected expenses, respond to emergencies, or continue operating in an economic downturn. It’s wiser than taking out a loan or using credit cards because you are essentially borrowing from yourself and avoiding high-interest fees.

Best financial practice suggests that you will restore the fund as soon as possible after the short-fall or emergency is over.

Calculate the amount of the contingency fund by estimating how much you might need in an emergency. In a worst-case scenario, such as a fire or flood, you will need temporary quarters until your insurance covers the damage and your renovation is completed. Some organizations set aside a “prudent reserve” of a certain percentage of the budget, say 10 percent, or operating expenses of one to six months.

Ideally, your program recognized the need for a contingency fund in its formation planning and

included the fund in the start-up budget. If not, you can build a contingency fund over time by dedicating a certain amount to the fund every month through keeping expenses to a minimum, delaying a major purchase, or raising funds in the community.

USE THE FUND TO COVER UNEXPECTED EXPENSES.

If you find that you are constantly dipping into the contingency fund, you may need to step back and look at the broad picture. Can you better manage reimbursement payments? Can you improve fee collection from parents? Can you expand or diversify your customer base? Can you develop new sources of funding? An experienced accountant or financial manager may be able to help.

Building a fund will take discipline, and should not be created by reducing salaries and wages of staff. Having staff carry the burden can hurt morale and the quality of your program.

For more information about money in business, see the website of the Small Business Administration, www.sba.gov/starting-business/business-financials. ■

BUILDING A BUSINESS

Help reduce head injuries: Host “Hard Hats for Little Heads”

A fun way to attract families to your program and build community support is to host a Hard Hats for Little Heads event.

Hard Hats was created by the Texas Medical Association to reduce head injuries that may occur in bicycle accidents. It’s also a way to encourage physical exercise that can prevent childhood obesity.

TMA advises that you to start planning one or two months in advance to ensure time for delivery of helmets and educational materials. A Hard Hats event can be part of an open house, back-to-school night, or health fair. You can partner with a local elementary school, H-E-B supermarket, hospital, doctor’s office, or other organization in the community to buy the helmets and T-shirts.

TMA will help you find a physician sponsor for the event to teach parents and children about the importance of wearing helmets and staying physically active. Or you can order a free DVD featuring a physician that you can show at the event or use to

train volunteers.

TMA will help you prepare promotional materials and publicity and offer free materials such as a banner, flyers, and brochures. A helmet sizing chart is available online at www.texmed.org/uploadedFiles/Current/2016_Public_Health/Community_Outreach_Programs/Hard_Hats_for_Little_Heads/Helmet%20Sizing%20Chart.pdf.

To find out more about the Hard Hats program, see the website www.texmed.org/Hard_Hats_for_Little_Heads/. ■

