



# Arkansas Early Childhood Education Coalition

2024



# Excel by 8 2020 Task Force Members

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In October 2020, a group of 9 chambers of commerce and economic development organizations and 8 philanthropic organizations convened the Arkansas Early Childhood Education Task Force to assess the early childhood education landscape in the state.

Arkansas Community Foundation  
Arkansas Impact Philanthropy  
Batesville Area Chamber of Commerce  
Excellerate Foundation  
Fayetteville Chamber of Commerce  
Greater Bentonville Area Chamber of Commerce  
Little Rock Regional Chamber of Commerce  
Mississippi County Economic Development Commission

Morrilton Area Chamber of Commerce  
Mountain Home Chamber of Commerce  
Northwest Arkansas Council  
Rogers-Lowell Chamber  
Springdale Chamber of Commerce  
United Way of Northwest Arkansas  
Winthrop Rockefeller Foundation  
Women's Foundation of Arkansas

# Key Findings

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**More Brain Development Occurs by Age Three Than at Any Other Time in a Person's Life**



**The ECE Workforce Is Under-trained, Under-compensated, and Under-supported**



**Early Care and Education Must Be Quality**



**Government Funding Meets the Need of Only About Half of Low-income Families**



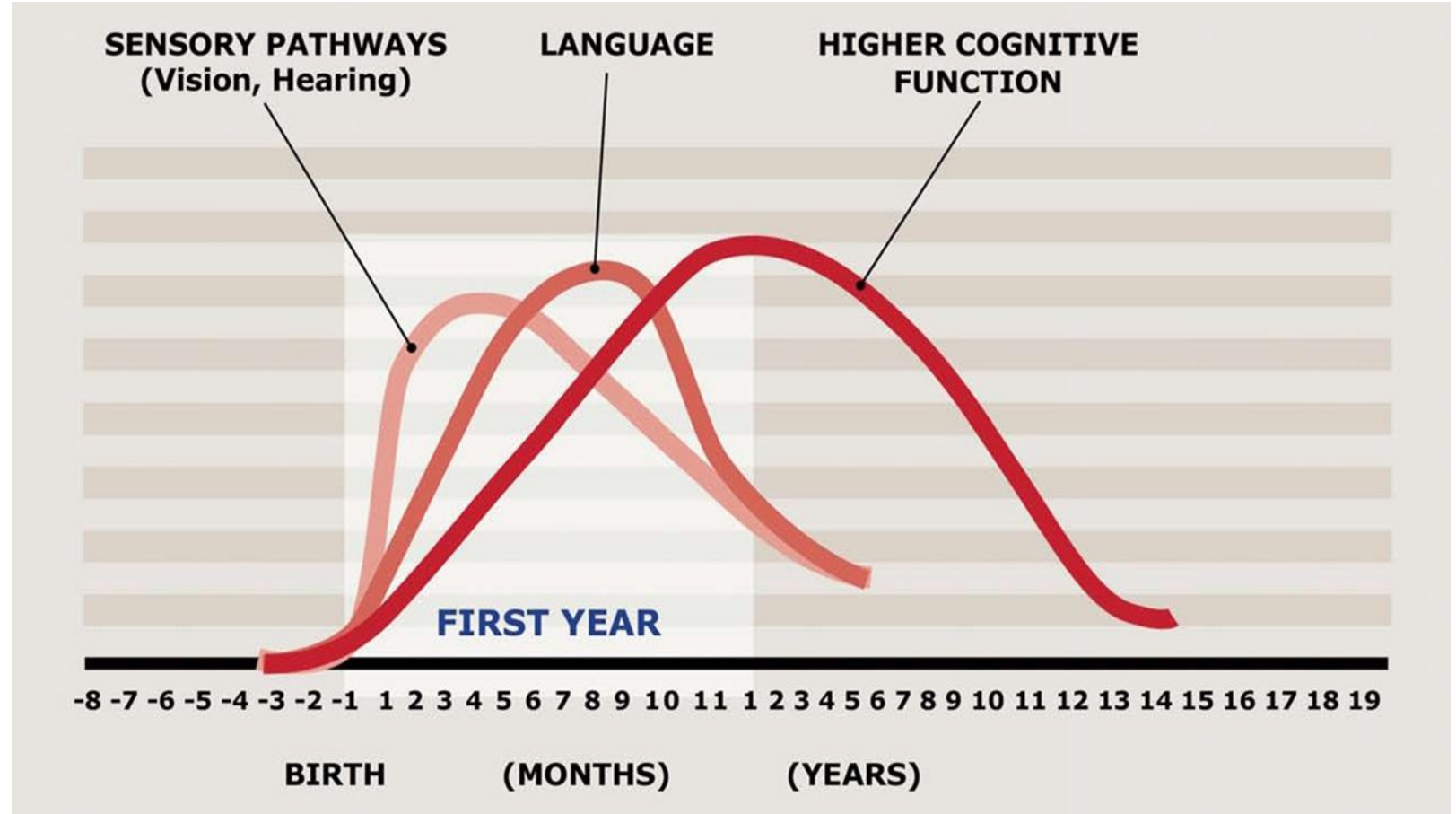
**The Child Care Market Must Be Financially Stable**



**The Demand for Infant and Toddler Care Far Exceeds Supply**



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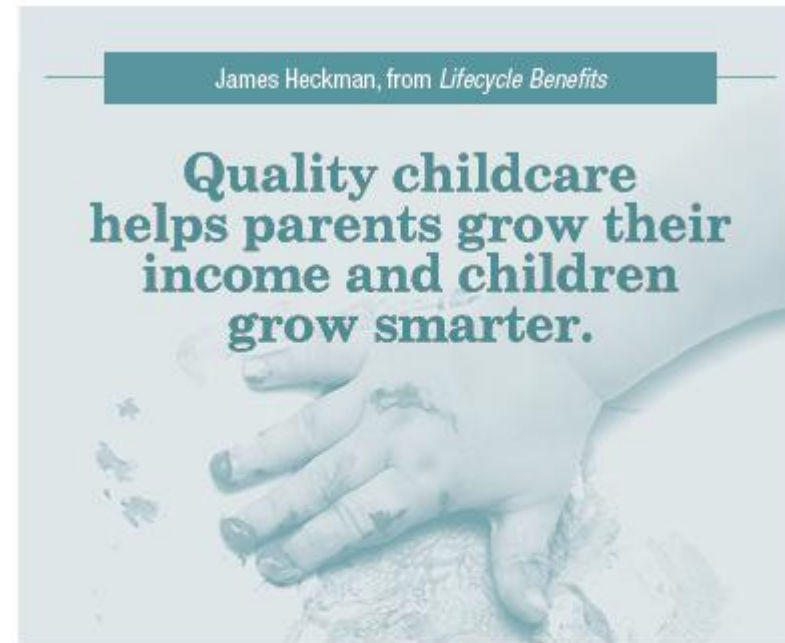


[National Scientific Council of the Developing Child](#)



**Early  
Childhood  
Education has  
a host of  
long-term  
benefits**

**Citizens that attend quality childcare earn higher wages, live healthier lives, avoid incarceration, raise stronger families and contribute to society. - First Five Years Fund**





**And can help  
offset future  
societal costs**

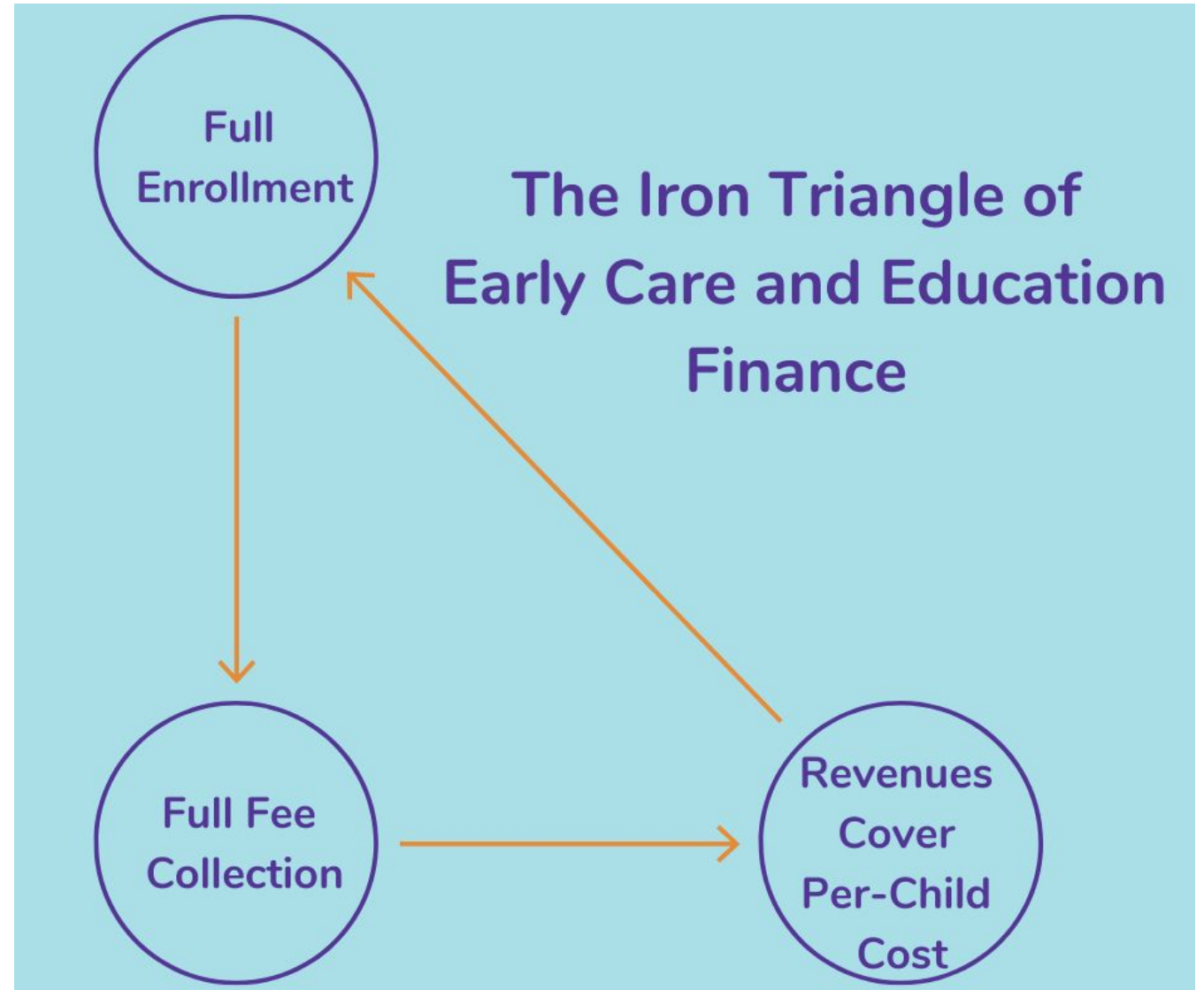
### Average annual cost of child care in Arkansas<sup>o</sup>

	Median Annual Cost	90th percentile
Infant	\$7280	\$10,400
Toddler	\$6934	\$9880
Preschool	\$6240	\$9360

<sup>o</sup> UAMS



# The Child Care Market Must Be Financially Stable



Workman, Simon. Principal, Prenatal to 5 Fiscal Strategies. Presentation to Arkansas Early Childhood Education Task Force, November 2020.

Stoney, Louise. "The Iron Triangle: A Simple Formula for Financial Policy in ECE Programs." The Opportunities Exchange, 2021.



Lack of access to child care is a recognized and growing threat to workforce recruitment and retention in AR.

ReadyNation estimates the annual economic impact of the child care crisis in AR is \$793M.

- AR Workforce Participation Rate is at record lows (58.5%)
- AR productivity also declined by .3% over last year
- 76% of ARs voluntarily left their jobs when their child(ren) was two years or younger
- 34% of ARs said they or someone in their household had left a job, not taken a job, or greatly changed jobs because of problems with child care in the last 12 months  
(Untapped Potential in Arkansas)
- \$1,470-lost income and sales tax revenue for each parent not in the AR workforce  
(ReadyNation - U.S. Chamber of Commerce Foundation)



## A recent study found child care is more important to Gen Z than health insurance.

Once a niche perk, child care benefits are now essential in employers' efforts to attract and retain employees, especially Gen Z talent.

- KinderCare

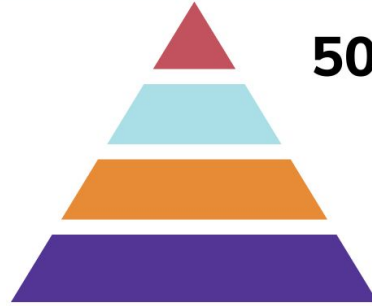
- Gen Z parents (30%) rate child care benefits slightly above health insurance (29%) when considering whether to stay or leave their current job.
- Millennials, Gen X and Boomers rate health insurance as the most important.
- 43% of Gen Z parents would switch jobs for financial assistance to cover child care costs — compared with Millennials at 33%, Gen X at 26%, and Boomers at 21%.
- 52% of Gen Z would switch jobs for on-site child care.
- 36% of Gen Z parents have accepted a job that pays less but has more flexibility, and 29% have moved to a new location to find child care.



# The ECE Workforce Is Under-trained, Under- compensated, and Under- supported



Early childhood educators make, on average,  
**\$18,506** less than kindergarten teachers.



**50%** had trouble meeting basic needs in the previous year

- ➔ 46% received food assistance
- ➔ Four out of 10 reported cutting meal size or skipping meals due to financial instability



**42%**  
screen at risk for  
depression

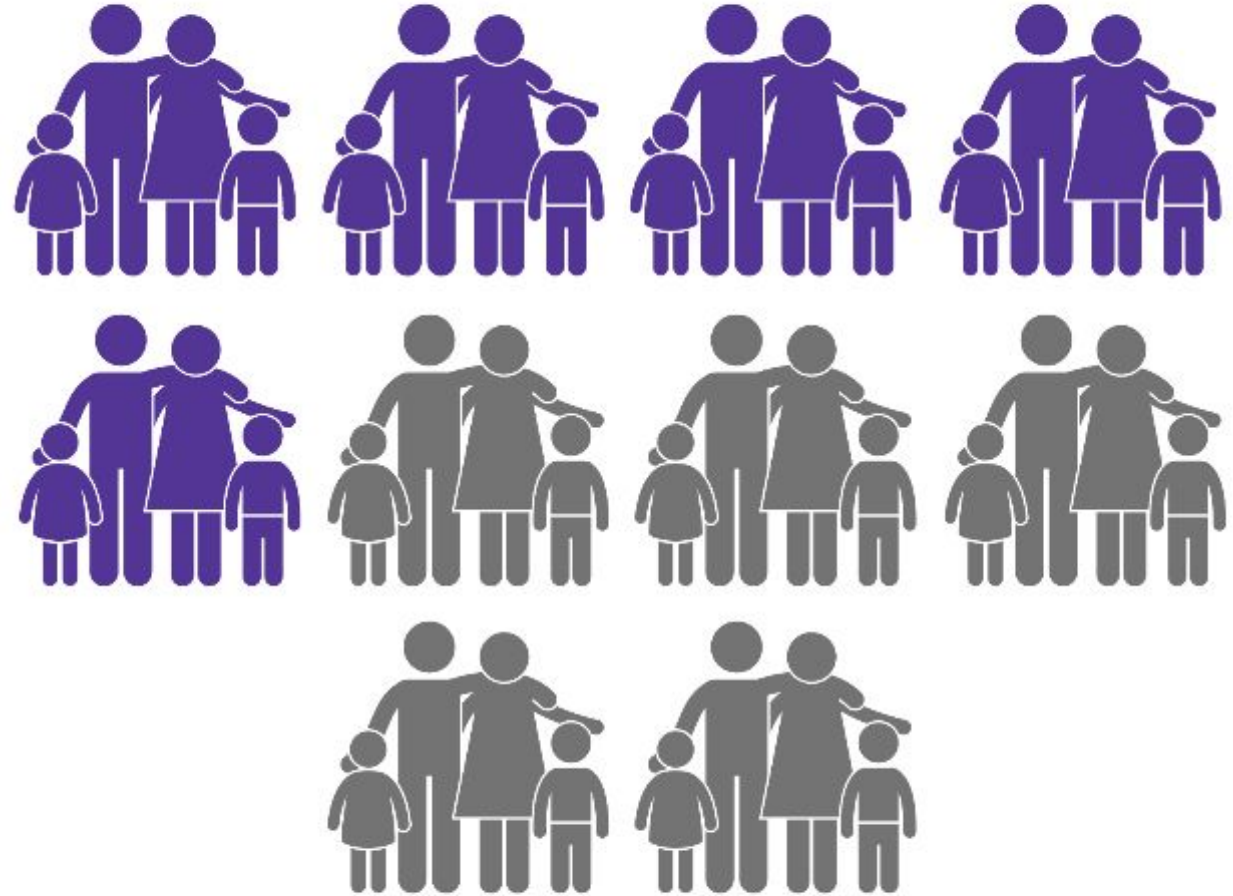
**40%**  
have no early  
childhood related  
education



**52%** More than half are not offered health insurance.



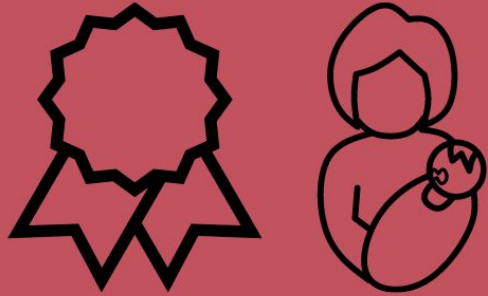
**Government  
Funding Meets  
the Need of Only  
About Half of  
Low-income  
Families**



Arkansas Department of Education, Arkansas Department of Human Services, Arkansas Head Start State Collaboration Office

# Recommendations

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Support the establishment and expansion of quality child care programs

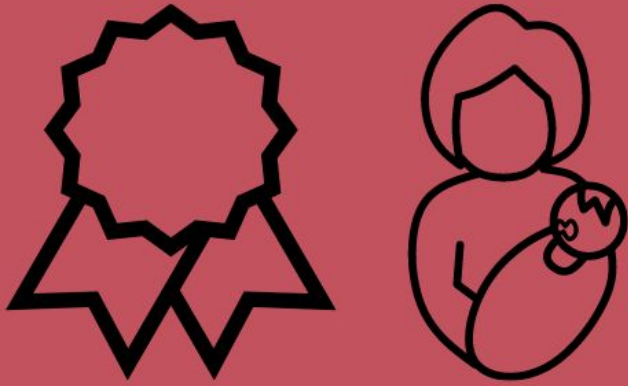


Recognize adequate compensation is critical for early childhood educators



Make child care affordable





**Support the  
establishment  
and expansion  
of quality child  
care programs**

1. Reduce regulatory burden (e.g., zoning) on establishment of home-based care
2. Increase reimbursement rates to reflect the true cost of quality care
3. Expand the pilot Family Child Care Network statewide
4. Expand shared service alliances to help providers with business needs
5. Provide resources for new child care providers to get started and/or for existing providers to expand



**Recognize  
adequate  
compensation is  
critical for early  
childhood  
educators**

1. **Expand T.E.A.C.H. so more early childhood educators can achieve higher education**
2. **Extend Step up to WAGE\$**
3. **Allow early childhood educators to participate in the Teacher Retirement System**

\*ARP funds



## Make child care affordable

1. Sponsor ECE for employees' children in local facilities to stabilize revenue and scale their business
2. Increase business engagement
3. Increase state funding





**Government  
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## What do we have in Arkansas already?

- 3.9% tax credit to employers who provide on-site day care.
- Used ARP funds to increase supply of infant/toddler afterschool care

## What has been proposed?

- 50% tax credit for contributions to employees' DCAP account

## What are other states doing?\*

- LA - +\$52M toward subsidies for low-income families
- AL - +\$42M for child care rating and preschool program
- MO - used one-time ARP funds
- MI - Tri-share model (also adopted by NC)
- KY - free child care for child care providers
- TX - property tax exemption ballot initiative

\*Inclusion on this list does not denote policy prioritization by E8

# Next Steps

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## Excel by 8 Business Coalition

- Made up of business and philanthropy
- Goal is to prepare for 2025 General Legislative Session
- [Sliding scale of participation](#)