

JUNE 2016

A circular inset photograph shows four young children of diverse backgrounds sitting around a table, focused on painting wooden sticks with various colors of paint. The background of the entire page is a soft-focus image of a classroom with alphabet cards on the wall. The text is overlaid on a green semi-transparent banner at the bottom of the circular inset.

A Call to Action:

Business Leadership in
Early Learning in New Jersey

"The last decade has brought us compelling evidence that quality early childhood supports for our children and their families make a lifelong difference...90 percent of brain development, affecting not only cognitive skills, but also emotional health, occurs in the first five years of life. Neural connections are made at an incredible rate to form the brain's fundamental infrastructure. These pathways for learning set the course for a lifetime. This is basic biology, pure science."

—John Pepper, former CEO of Proctor and Gamble¹



The Business Case for Early Childhood Education Investments

It might be unexpected to hear a former Proctor and Gamble CEO talk about the science of brain development in young children, but John Pepper is part of a large and growing movement in the business community that is using its influence and resources to advocate for high-quality early learning opportunities for all children.

In states and regions across the country, business leaders and groups such as chambers of commerce have focused their attention on early childhood education. At the national level, organizations like ReadyNation are helping to organize and drive efforts to improve the quality of early learning environments and ensure adequate investments in young children, particularly those at risk of struggling in school and beyond.

Companies including PNC, IKEA, and Crayola are also taking action, both directly and through their charitable foundations, to help develop literacy and math skills in young children. Through their *Grow Up Great* initiative, PNC provides materials and tips for caregivers and teachers of young children in the communities they serve. Crayola operates a program to support its employees in their role as their child's first teacher.

Why are business leaders making this a priority? As Pepper points out, the earliest years of a child's life—before they enter kindergarten—are critical to development. By the time they start kindergarten, children from disadvantaged families, such as those with low levels of income and education, are often as much as 18 months behind their peers in terms of cognitive and emotional development. In fact, researchers have found that vocabulary disparities in children younger than two correlate with family income.² Unfortunately, these gaps often widen as

children advance through school. Children who are not prepared for kindergarten are less likely to be reading at grade level in third grade. This is especially significant given that third-grade reading scores are a strong predictor of on-time graduation from high school, particularly for children in low-income families.³

Setting children on the path to success is a wise investment, and far cheaper and more effective than helping them catch up later on. In the long term, such investments save public spending on welfare and criminal justice and add to public coffers through tax revenues from increased incomes. In the medium term, K–12 schools spend less on remediation and special education when at-risk children participate in high-quality early learning programs. Even in the short term, there are economic benefits. Economic impact studies have found that increased spending on quality childcare and early learning stimulates the local economy as most of the money and jobs stay in the immediate community.⁴

Business leaders understand better than anyone the need for an educated and reliable workforce. Investments made now will not only lay the foundation for a capable future workforce, but will also impact the current workforce. In New Jersey, 66 percent of children under five have primary caregivers who work.⁵ When working primary caregivers have access to reliable, high-quality, affordable care for their children, they are more productive and miss work less often.⁶

¹ Pepper, John. *The Business Case for Early Childhood Investments*. Association of Chamber of Commerce Executives, Fall 2014. Web.

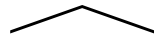
² Carey, Bjorn. *Language gap between rich and poor children begins in infancy, Stanford psychologists find*. *Stanford News*. Stanford Report, 25 Sep 2013. Web.

³ Hernandez, Donald J. *Double Jeopardy: How Third Grade Reading Scores and Poverty Influence High School Graduation*. The Annie E. Casey Foundation, 2002.

⁴ Warner, M. *Child care multipliers: Stimulus for the states*. Ithaca, NY, 2009: Cornell Cooperative Extension.

⁵ Parello, N, Dellanno, D., Hellriegel, N. *Meeting New Jersey's Child Care Challenge: A Kids Count Special Report*. Newark, NJ: Advocates for Children of New Jersey, 2013.

⁶ Early Care and Learning Council. *Why Should Employers Care? Relationship between Productivity and Working Parents*.



Early Learning in New Jersey: Room to Grow

New Jersey has a strong record of supporting high-quality early learning; however, like every other state, it has room for improvement. The state invests significant funding to provide best-in-class public pre-k programs, but these programs serve a limited number of children. Further, New Jersey is behind most states (40 in total) in establishing a system to rate the quality of childcare and early learning providers. Rating systems go beyond basic safety and health requirements and typically assess programs based on the education and training of childcare workers, the use of appropriate curricula, child–staff ratios, quality of the classroom environment, and other aspects.

As of 2014, New Jersey's three pre-k programs served nearly 52,000 children, amounting to 19 percent of the state's three-year-olds and 29 percent of its four-year-olds. In 1998, as part of the *Abbott v Burke* rulings, the state was required to provide pre-k to all three- and four-year-olds in 31 districts with concentrated poverty and poor educational outcomes, which became known as Abbott districts and are now referred to as "Former" Abbott Districts. The state has since made available some additional funding to

allow additional districts to provide pre-k, but many communities remain unserved.

In 2015, a coalition of former governors, business leaders, nonprofit groups, and child advocates kicked off the Pre-K Our Way campaign with the goal of expanding the state's high-quality public pre-k programs to communities that are not currently served. Strong support for expanding these programs is based on research showing a lasting, positive impact on children who participate.⁷

CHILDREN SERVED BY NEW JERSEY'S PRE-K PROGRAMS

Program	Description	Children Served
"Former" Abbott Pre-K Program	Available to all three- and four-year-olds living in one of the state's 31 "Former" Abbott Districts	44,000
"Former" Early Childhood Program Aid Programs	Offered in 93 districts where 20–40% of children are in low-income families	7,300
"Former" Early Launch to Learning Initiative	Limited funding for additional districts to serve four-year-olds	600

⁷ Barnett, W.S., Jung, K., Youn, M., Frede, E.C. (2013). *Abbott Preschool Program Longitudinal Effects Study: Fifth Grade Follow Up*. New Brunswick, NJ: National Institute for Early Education Research.



Race to the Top Funds Boost Early Learning Efforts

Also key to shaping the current and future early learning landscape in the state is a \$44.3 million federal Race to the Top (RTTT) grant awarded to New Jersey in 2013. With these funds, the state is undertaking several initiatives to improve and better coordinate programs that serve children from before birth to age eight. Initiatives center on support for teachers and alignment of curricula across systems, assessment of kindergarten readiness, development of county-based central intake hubs for state programs supporting young children and their families, and establishment of county councils to provide feedback on RTTT initiatives.

A central initiative of RTTT, Grow NJ Kids is finalizing the development and implementation of a quality rating system for childcare and early learning providers. The state, as well as regional United Ways and Advocates for Children of New Jersey, were working on a rating system prior to New Jersey receiving RTTT funds; however, RTTT allowed Grow NJ Kids to accelerate and expand this work. Quality rating systems are important because they:

- › *Expand parents' awareness of and use of quality information when selecting care*
- › *Reward childcare providers that improve quality*
- › *Support training and professional development of the early childhood workforce*
- › *Expand the supply of quality childcare, especially those serving low-income children*
- › *Give young children the foundation they need for school success⁸*

The Grow NJ Kids program is being rolled out statewide in 2016, and ratings for participating providers (a five-star scale with five being the top rating) will be released to the public. The program rates providers in five areas: learning environment, curriculum, family/community engagement, workforce development, and administration/management.

Participating childcare programs can qualify for free professional development, grants for classroom supplies, and funding to support staff training. Over 650 programs are currently participating.

The state is in the process of developing a sustainability plan that will build on this and the other initiatives made possible by RTTT. The support of stakeholders and leaders around the state will be an important part of ensuring these efforts continue.

⁸ Parella, N, Dellanno, D., Hellriegel, N. *Meeting New Jersey's Child Care Challenge: A Kids Count Special Report*. Newark, NJ: Advocates for Children of New Jersey, 2013.



Models of Business Engagement in Early Learning

Recognizing the importance of sound investments in young children, business leaders around the U.S. have engaged in a variety of ways, tailoring their efforts to the states and communities in which they live and conduct business.

Among those working on the issue are current and former CEOs of Macy's, Xerox, PNC Financial Services, Vanguard, and Continental Airlines.

Across the country, more than 1,400 business leaders have joined ReadyNation to work for better policies for children. The group has seven state offices that work at the state and local level. Leaders in 15 states have established business roundtables focused on education, and in all 50 states, chambers of commerce have at some point included early learning as part of their agenda. Currently, the New Jersey Chamber of Commerce education-related efforts are focused on older youth—mostly 16–24-year-olds. The work of these business groups generally falls into three areas:

- › **Advocacy:** *Business leaders carry significant influence in their communities and with decision makers. They lend their voices to this issue by meeting with legislators and other policy makers to advocate for broadly-accessible, high-quality early education and effective, well-aligned programs and services for children from birth to age eight. They may also seek to recruit fellow business leaders and community leaders to support early learning in the states and communities.*
- › **Education:** *Choosing childcare can be difficult. Parents and caregivers do not always know how to define "quality" or recognize it when they see it. Businesses provide literature and host events to educate employees and customers about the importance of high-quality early education, how to choose high-quality care for their children, and the role of parents as their child's first teacher.*
- › **Funding and Resources:** *The cost of providing credentialed teachers, high-quality space, and superior learning tools and resources makes it difficult for programs to stay afloat. Even when they do, these programs are often unaffordable for families. There are a number of ways businesses and business leaders contribute resources to early education programs. They share business expertise and relationships by volunteering, serving on boards, fund early education research and outreach efforts, and provide funding to directly support high-quality services and programs.*

The following are examples of three business groups utilizing strategies that incorporate advocacy, education, and targeted resources to improve the state of early education in their states.

STATE BUSINESS GROUPS SUPPORTING EARLY EDUCATION

	Alabama	New York	Pennsylvania
Organization Type	Led by state business chamber	State office of national group ReadyNation	Led by governor
Key Activities	Advocacy Research	Advocacy Advising Research	Advocacy Funding
Area of Focus	Pre-k to career readiness	Birth to career readiness	Birth to early childhood

Business leaders in New Jersey can look to other states for examples of strategies that will work to improve early education access and resources locally.



Government-Led Model

Pennsylvania's Early Learning Investment Commission

In 2008, then-governor Ed Rendell created Pennsylvania's Early Learning Investment Commission (ELIC) to help secure public investment in early learning. The commonwealth's two subsequent governors have maintained the group. ELIC comprises more than 70 business and civic leaders from across the state, each of whom are appointed by the governor to three-year terms. The ELIC has a staff of three with private foundations providing all funding for operations.

HOW THEY WORK

Pennsylvania's Early Learning Investment Commission supports early education in Pennsylvania by:

- › *Increasing awareness among policy makers, other business leaders, and the general public on the connection between quality early childhood investment and a strong Pennsylvania economy.*
- › *Building a public/private partnership of leaders at the state, regional, and local levels to advocate for quality early childhood investment.*
- › *Growing public and private resources directed at evidence-based quality early childhood experiences in Pennsylvania.*

In addition to its work at the state level—including meeting with legislators, writing op-eds, and participating in annual conferences—ELIC maintains 14 regional groups across the state. These groups, which vary in size and composition, include ELIC members as well as other local stakeholders and focus on efforts to improve early learning in their communities. For example, the York County ELIC group helps to fund the Bridge Scholarship program, which provides scholarships for early education teachers. In the Lehigh Valley, the regional ELIC group funds the Newton School, a STEM-based preschool that also provides training to teachers on effective methods for incorporating STEM in their teaching.

KEY ACCOMPLISHMENTS



ELIC has helped to ensure sustained early education funding through budget crises and multiple governors.



ELIC provides support to the nation's largest Early Childhood Caucus, a bipartisan group of more than 100 state legislators.



At the regional level, ELIC has led local Pay for Success efforts in the Lehigh Valley region.



ELIC has worked as part of business coalitions to make sure their private donations and tax credit donations (through Pennsylvania's state Educational Improvement Tax Credit program) are targeted to high-quality early learning programs.

PRE-K FOR PA

In addition to the ELIC, business leaders are engaged in this issue through a statewide campaign, Pre-K for PA. The campaign includes the Leadership Council made up of business and civic leaders committed to expanding high-quality pre-k in the state. Group members engage on an as-needed basis by lending their name to the campaign, signing op-eds and letters to government officials, reaching out to elected officials, and speaking on behalf of the campaign.



State Chamber-Led Model

Business Council of Alabama

Recognizing the need for Alabama to improve its education system to prepare a workforce that meets the needs of employers in state, the Business Council of Alabama, the state's leading business advocacy organization, decided to make public pre-k expansion central to its legislative agenda. Similar to efforts in other states, the group frames pre-k and early education as the first, critical step on a child's educational journey that lays the foundation for success. President and CEO of the Council Billy Canary has championed this work in the state's business community.

HOW THEY WORK

Led by the Business Council, the Alabama business community created two entities to work on improving education in the state—the Business Education Alliance and the Alabama School Readiness Alliance.

The Business Education Alliance (BEA) is a foundation created to ensure the focus on education issues is not lost due to changes in political or business leadership down the road. BEA was created to stimulate quality research and constructive discussion of key policy issues and to promote interactions between the public and private sectors.

The Alabama School Readiness Alliance is a statewide coalition that advocates for expanding pre-k as a way of closing student achievement gaps and ensuring that all children enter school ready to learn. The Alliance focuses on advocacy and increasing public awareness.

The Council actively engages its members to advocate for additional state funding for pre-k by contacting their legislators to voice their support. They have had success using text messaging to alert members to upcoming votes and have them take action.

KEY ACCOMPLISHMENTS



In 2000, Alabama state established a high-quality pre-k program that served one percent of the state's four-year-olds. Alabama business advocates now seek full funding for that program so that it is available to all four-year-olds whose families wish to enroll them. To achieve this goal, they advocate for \$10–13 million annual funding increases. Although they have a long way to go (just 9 percent of children were enrolled in 2014), they have had significant success. Between 2006 and 2016, the state increased funding 10 fold, from \$4.3 to \$48.5 million.



In addition to the very tangible accomplishment of increased funding, this work has created a much deeper engagement between business and schools in the state, changing the way business looks at education in Alabama and the role of the business community in improving education outcomes. Business leaders were at the table when the state developed its most recent education plan, PLAN 2020, which set new expectations for high school graduation and a 90 percent graduation rate by 2020.



Alabama business advocates are now seeking full funding for the state's pre-k program so that it is available to all four-year-olds.

National Affiliate Model

New York State Office of ReadyNation

ReadyNation's New York state office was established in 2008 and is one of seven state offices around the country. There are around 150 members across New York State, working on issues across the education continuum—from birth and early education to career readiness. The group is funded by private foundation dollars raised by the state office.

HOW THEY WORK

As part of ReadyNation, the New York group works at the state level similarly to the way the national organization works at the federal level, educating policy makers and the larger community by:

- › *Meeting and working with elected officials to advocate for smart investments from birth to career training*
- › *Penning opinion editorials and letters to the editor*
- › *Speaking at press events and other public venues to discuss new research related to early learning and education*
- › *Participating in legislative hearings on related topics*

ReadyNation New York works closely with the Chamber Alliance of New York State, which includes most of the local and regional chambers in the state. They co-sponsor two meetings a year that include a key focus on education.

Illustrating the group's holistic perspective and responsiveness to current issues, they have recently broadened their reach and begun to engage childcare providers in their role as small-business owners to weigh in on proposed changes to the state's minimum wage laws and other proposals that may impact the childcare and early learning landscape.

In addition, they are putting together a committee of business leaders to work with members of the governor-appointed Early Childhood Advisory Council. The business group, which will be staffed by ReadyNation, is intended to complement the work of the group, which is made up of early education experts and stakeholders, and will include ReadyNation members who have strong political influence and can advocate effectively for smart early education policy in the state.

KEY ACCOMPLISHMENTS



There is broad consensus that business leaders need to be engaged in education, but advocates and government officials do not always know the best way to do this. In New York, ReadyNation members have been able to help the state and advocates engage business leaders in effective ways that leverage their knowledge, resources, and relationships.

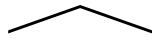


The state has provided significant additional early education funding in recent years, including funds to support universal pre-k in New York City, and, in 2015, provided funding to begin expanding public pre-k to three-year-olds in high-need districts.

READYNATION

ReadyNation is a part of Council for a Strong America. Council for a Strong America is the umbrella group of five membership organizations working on children's issues. The other four are Mission: Readiness (military), Fight Crime: Invest in Kids (law enforcement), Shepherding the Next Generation (faith), and Champions for America's Future (sports).





Considerations for New Jersey Business Leaders

The preceding models illustrate some of the ways business leaders around the country are advocating for early learning in their communities. As momentum builds for business engagement in New Jersey, it will be important to consider the state's unique strengths and challenges, the type of action most needed, where individual business leaders' interests may lie, and which options are most likely to be successful. Specifically, those leading the charge will need to consider the following:

Area of Focus

Should efforts focus on early childhood education or the full education continuum? And if the focus is on early education, how broadly or narrowly is that defined? Options include birth to age five, the preschool years only, or up to age eight/third grade. A narrower focus can increase effectiveness. On the other hand, a focus on early education through high school graduation or college and career preparation may allow for the building of a larger coalition.

Goals and Strategies

Should the focus be primarily on supporting state-level policy to increase resources and improve the quality of early education in the state? Similar to Pennsylvania's regional ELIC groups, should the group provide funding and direct support for individual early education programs?

Alignment with Existing Efforts

How can business-led endeavors complement the efforts of existing campaigns and advocacy already underway by the Pre-K Our Way campaign, groups like Advocates for the Children of New Jersey, and the work of United Ways and other philanthropic funders?

Structure and Funding

Beyond fundamental considerations about focus and strategy are structural and operational details related to staffing and funding required to meet the group's goals. How should the business leader group be staffed? Should it be housed in an existing organization or should an independent organization be created?

THIS REPORT WAS PREPARED BY THE ECONOMY LEAGUE OF GREATER PHILADELPHIA ON BEHALF OF THE UNITED WAYS OF NEW JERSEY.



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The Economy League is a civic catalyst that brings together leaders and organizations to address the most challenging issues facing Greater Philadelphia. Built on our foundation of independent, high-quality analysis and practical insight, we spark new ideas, develop strategies, and galvanize action to enhance the region's global competitiveness.

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