

Part IV: What are the most effective investments philanthropy can make?

In our search for investment opportunities, we asked: *Within a complex early childhood system in which many stakeholders play a role, and where a significant portion of funding will ultimately come from the public sector, where might philanthropic investments have the most impact? How can philanthropy catalyze efforts to tackle the barriers to kindergarten readiness?*

We went looking for opportunities that have the potential to improve kindergarten readiness for a significant number of at-risk children and offer a high return on investment. Given that our focus is primarily on philanthropy, the opportunities presented here are not a blueprint for public policy or funding, nor is this a comprehensive literature review. Instead, we have identified areas where there is a clear role for private investment in helping to improve the quality of largely public programs.

Our research surfaced 13 concrete opportunities within five broad categories.

In the discussion below, we describe each opportunity and name a number of specific organizations and initiatives that philanthropy could support. We do so not so much to suggest that these are the only organizations worthy of investment, but to offer concrete examples of how donors have invested for maximum impact to improve outcomes for America's young children. Some of these opportunities are earlier stage than others, but each offers a pathway for philanthropic investment.

Strengthen public systems of early care and education at state and local levels to ensure continuous quality improvements.

Often compared to market-based approaches like hotel star ratings, state Quality Rating and Improvement Systems (QRIS) summarize the quality of early child-care and education providers across categories such as child/staff ratios, teacher credentials, and teacher-child interactions.⁸¹ As of February 2015, nearly all states were planning or implementing some type of QRIS,⁸² but our research revealed three barriers to its intended impact on quality: participation is low, funding is not linked to QRIS ratings, and higher quality standards can actually be disincentives if the system doesn't give providers the financial resources they need to improve.

81 QRIS National Learning Network, "Glossary of Terms," 2013-15, <http://qrisnetwork.org/glossary>.

82 BUILD Initiative, "Quality Rating and Improvement Systems (QRIS)," <http://www.buildinitiative.org/TheIssues/EarlyLearning/QualityQRIS.aspx>.

Most experts we interviewed agreed that every state should have a QRIS that not only assesses child-care and education programs (including Head Start and publicly-funded pre-K), but that also provides clear financial incentives to improve quality, as well as a pathway and resources for moving from one level of quality to the next. Some states offer models worth emulating. For example, Pennsylvania’s QRIS, Keystone STARS, requires all state pre-K providers to achieve at least a two-star rating and ties reimbursement levels to higher ratings. As a result, Keystone STARS covered nearly 70 percent of centers, which serve 170,000 children across the state, as of March 2012.⁸³ Over the 2011-12 school year, the proportion of children in three- and four-star centers with age-appropriate skills increased from 33 percent to nearly 66 percent.⁸⁴

In states where a QRIS does not yet exist, such systems should be developed. In states where there is a “first generation” QRIS in place (particularly those that have received Race to the Top—Early Learning Challenge funding for QRIS), experts agreed that systems should be improved to measure learning outcomes, better disseminate ratings information to parents, and offer incentives for meeting quality standards. Philanthropic investment in state quality-improvement systems can help to drive efficiency, accountability, and transparency for parents in choosing quality child-care and education options for their children. There are two opportunities for philanthropy to support such state-level quality-improvement efforts.

Opportunity 1: Provide technical assistance for states to accelerate quality-improvement efforts.

One example of an intermediary providing technical assistance for statewide systems is the BUILD Initiative, created in 2002 by the Early Childhood Funders Collaborative.⁸⁵ BUILD provides support to reform statewide systems, strengthen local programs, and test new models, with a strong focus on QRIS. Other intermediaries might also be in a position to contribute to expanded and enhanced QRIS. For example, the Alliance for Early Childhood Finance helps states design QRIS that include incentives for provider participation.⁸⁶ The Administration for Children and Families recently produced a research brief to guide states in implementation of “next generation” QRIS models that may be of use to states in building their systems.⁸⁷ The organization also has created a

83 Pennsylvania Early Learning, “Children’s Progress Update: Keystone STAR 3 and 4 Programs, 2011-12,” 2012, https://www.pakeys.org/uploadedContent/Docs/Early%20Learning%20Programs/Keystone%20STARS/Keystone_STARS_progress_11-12.pdf.

84 Ibid.

85 BUILD Initiative, “BUILD’s Mission and History,” 2015, <http://www.buildinitiative.org/AboutUs/MissionHistory.aspx>.

86 Alliance for Early Childhood Finance, “Aligning Finance with Common Standards,” 2010, <http://www.earlychildhoodfinance.org/downloads/2010/Aligning%20Finance%20with%20Common%20Standards.pptx>.

87 Martha Zaslow and Kathryn Tout, *Reviewing and Clarifying Goals, Outcomes and Levels of Implementation: Toward the Next Generation of Quality Rating and Improvement Systems (QRIS)*, OPRE Research Brief #2014-75, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services (October 2014).

guide for helping states validate that their QRIS are measuring quality effectively and leading to meaningful quality improvements.⁸⁸

Philanthropists can also directly fund capacity within state agencies to implement plans for quality improvement, thereby catalyzing action and spurring collaboration. The Bill & Melinda Gates Foundation, through its direct support of Washington State's Department of Early Learning (DEL) and Thrive Washington, is doing just that. Thrive and DEL will manage Washington State's 10-year Early Learning Plan, which includes implementing QRIS and child-care licensing policies, in addition to many other strategies to expand access to quality programs.⁸⁹ In this case, the Gates' support also has enabled a formal partnership between DEL, Thrive, and the state departments of education and health to share accountability for the plan. Thrive Washington and DEL are long-term partners of the Gates Foundation in helping to create Washington's high-quality early learning system and forming public-private partnerships.

Opportunity 2: Fund training for providers pursuing quality improvements.

As mentioned, providers face challenges in getting the training, technical assistance, and funding they need to improve quality and achieve higher QRIS ratings. Funders can work with policy makers to provide and disseminate these resources. For example, in North Carolina, the W.K. Kellogg Foundation and others helped the state's Smart Start initiative to improve the quality of early care and education—including supporting child-care programs in achieving higher QRIS ratings. Over the years, Smart Start helped achieve outstanding results: in fiscal year 2012-13, 84 percent of children receiving subsidies for care and education attended four- and five-star centers (compared to only 30 percent in 2001).⁹⁰

Scale health and developmental screenings to connect parents and families with resources to optimize their children's holistic development.

As described above, many communities do not have the infrastructure or tools to universally and regularly screen children from birth to five years old across the five kindergarten-readiness domains. Further investment is needed to ensure that children are screened from birth to five and directly linked to appropriate high-quality services. Philanthropy can help catalyze this investment.

88 Kathryn Tout and Rebecca Starr, *Key Elements of a QRIS Validation Plan: Guidance and Planning Template*, OPRE 2013-11, Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, US Department of Health and Human Services.

89 Washington State Department of Early Learning, "Washington State Early Learning Plan: Executive Summary," September 2010.

90 Smart Start, "Why Smart Start Works: The North Carolina Partnership for Children and Local Smart Start Partnerships," January 2015, <http://ivdesignhouse.com/smartstart/wp-content/uploads/2015/01/Why-Smart-Start-Works-2013.pdf>.

Through our conversations with experts, we realized that an ideal coordinated local solution would provide universal screening and intake, invest in expanding the menu of parenting interventions, and help parents understand their choices and connect to the program that is right for them. It also would help communities understand how much of the need for quality programs is being met, and what additional investment is warranted.

A great example is the Healthy Beginnings program run by the Children's Services Council (CSC) of Palm Beach County,⁹¹ which screened close to 90 percent of newborns in 2012.⁹² It also screens children throughout the early years for developmental, social, and behavioral issues using tools like the Ages and Stages Questionnaire. Healthy Beginnings helps connect parents to one or more of a wide array of interventions through its strong network of organizational partners. Available interventions include Triple P, Incredible Years, Parent-Child Home Program, Nurse-Family Partnership, Centering Pregnancy, and Healthy Steps, as well as some promising local programs. Healthy Beginnings includes an integrated data system that tracks individual children as they move between providers in the Healthy Beginnings network. Between 2007 and 2012, Palm Beach County's rates for infant mortality, low-weight births, and prematurity improved, and are now better than Florida's as a whole.⁹³

Though there would be great benefit to using a consistent developmental screening (ideally based on the five kindergarten-readiness domains) across the country, there is no obvious role for philanthropy to help this happen at the national level. However, here are three promising opportunities for philanthropy to support expanded screening and referral tools at the community level. Two of these involve building the infrastructure for screening and referrals, and one involves further developing existing tools. These opportunities are particularly relevant in the states that have received Race to the Top—Early Learning Challenge funding and Enhanced Assessment Grants.⁹⁴

91 The Children's Services Council of Palm Beach County, a special district of government that is primarily supported with public funding through taxing authority, has developed a system of care for children and families with four goals: healthy births, keeping children free from child abuse and neglect, getting children ready to start school, and providing access to quality after-school programs. The system of care features three strategic components: individual child and family services through the *Healthy Beginnings* System; quality child-care and after-school programs through the *Strong Minds Network*; and targeted place-based programs in ten low-income communities through *Bridges*.

92 Interview with Lisa Williams Taylor, Children's Services Council of Palm Beach County, October 16, 2013.

93 *Healthy Babies 2014 Palm Beach County*, Boynton Beach, Florida, Children's Services Council of Palm Beach County (2014).

94 The Enhanced Assessment Grants program is a federal initiative focused more tightly on assessments than Race to the Top. It has awarded \$15 million to 17 states. Source: Catherine Gewertz, "Kindergarten-Readiness Tests Gain Ground," *Education Week*, October 7, 2014.

Opportunity 3: Develop and propagate comprehensive screening and referral systems at the community level.

Philanthropy can play a role in creating and supporting local agencies and staff needed to conduct universal screenings and referrals, ensuring access to an array of quality programs, data systems, screening tools, and more.

For example, philanthropy has provided key strategic support to the CSC of Palm Beach County (described on the previous page) in the early development of the critical components of its system of care. The Quantum Foundation partnered with CSC to provide local private-public funding to attract and match a Robert Wood Johnson Foundation (RWJF) grant, through RWJF's Local Initiative Funding Partners Program. This funding supported development of CSC's Maternal Child Health Network (which ultimately evolved into Healthy Beginnings). The Picower Foundation was also an important private strategic funding partner on a number of other initiatives at CSC, including funding the initial design, start-up, and early implementation of a quality child-care initiative that, ultimately, became a model for other communities in Florida.⁹⁵

The CSC is a special district of government that is primarily supported with public funding through taxing authority. When a referendum on CSC funding was recently up for a vote in Florida, it passed with 85 percent of the vote. Private funding (not philanthropy) supported a successful campaign to renew its funding authority.

In other communities across the nation, philanthropies and public agencies are working in long-term partnerships to provide access to high-quality birth-to-five programs and infrastructure for connecting families to those resources. Exemplars include Greater Cleveland (supported by the George Gund Foundation, the Cleveland Foundation, and others), Detroit (supported by the Kresge Foundation and the W.K. Kellogg Foundation), and Pittsburgh (supported by the Heinz Endowments). The Duke Endowment has worked for years in partnership with Durham County, NC, to fund Durham Connects, a universal newborn screening and referral system that has demonstrated a \$3 return on every \$1 invested in the program.⁹⁶

There are also technical assistance organizations that help states identify at-risk children and connect families to community-based programs. The Help Me Grow National Center is active in over 20 states performing that specific function and is funded in part by the Kellogg Foundation.⁹⁷ Local funders, such as the Health Foundation of Western and Central New York and the Community Foundation of Greater Birmingham, have funded Help Me Grow affiliates to spread developmental screenings in their communities.

95 Correspondence with Tana Ebbale and Michael Levine, March 5, 2015.

96 Durham Connects, "Results," 2015, <http://www.durhamconnects.org/results/>.

97 Help Me Grow National Center, "What is the *Help Me Grow* National Center?"

<http://www.helpmegrwnational.org/pages/hmg-national/what-is-hmg-national.php>.

Opportunity 4: Support pediatric practices to integrate screenings and referrals into well-child visits.

The great majority of low-income children from birth through age three see pediatricians and other health providers regularly.⁹⁸ Pediatric practices could be excellent places to engage the parents and caregivers of young children, identify parenting challenges, and help parents develop skills and strategies to overcome those challenges. In this setting, parents are attuned to the healthy development of their young children and may be most open to getting support. For these reasons, it seems that pairing early screening with integrated behavioral and mental health services, along with referrals to parenting supports, may be a powerful combination for promoting child development.

There are signs that pediatric practice is shifting towards such a holistic approach. Under the Affordable Care Act, insurance companies now must cover the cost of developmental screenings.⁹⁹ Other trends in healthcare payment structures may also be moving the system toward greater financial reward for such preventative measures. In concert with these changes, there is an opportunity for philanthropy to help further demonstrate the value of developmental screenings for very young children.

Philanthropists can act on this opportunity either by funding programs that work with pediatric providers, or by funding pediatric providers directly. For example, the Montefiore Children's Hospital in the Bronx screens infants and toddlers every six months for signs of stress and maladaptive social and emotional development, providing the Healthy Steps intervention to those who need it. The Altman Foundation provided funding for Healthy Steps Specialists¹⁰⁰ (psychologists, social workers, or nurses), who screen children to identify developmental or behavioral problems, coach parents, and provide referral services. Montefiore also has integrated Healthy Steps into its residency training program, helping the next generation of physicians understand the importance of child and family development as an essential element in good pediatric care.¹⁰¹ Philanthropy could support the expansion of Healthy Steps or similar programs (like Project DULCE in Boston, which pairs family specialists with access to legal services), either by funding programs directly or by supporting a provider like Montefiore in implementing the program.

98 David Murphey, Mae Cooper, and Nicole Forry, *The Youngest Americans: A Statistical Portrait of Infants and Toddlers in the United States*, Chicago, IL: The McCormick Foundation and Child Trends (2013), 100.

99 Help Me Grow Orange County, "Developmental Screening and Monitoring," http://www.helpmegrowoc.org/healthcare_screening.html.

100 Laurie Tarkan, "For Mother and Child at Risk, Care that Includes a Psychologist," *The New York Times* Health section, February 14, 2009.

101 Healthy Steps for Young Children, "Residency Training," <http://healthysteps.org/about/healthy-steps-sites/residency-training>.

Opportunity 5: Disseminate promising screening and assessment questionnaires and tools.

Several holistic development measures exist, but they are not in sufficiently wide use across the country. Philanthropy can help spread the use of these valuable tools. For example, the Center for Healthier Children, Families, and Communities in Los Angeles is expanding implementation of the Early Development Instrument (EDI) in cities and communities across Los Angeles County.¹⁰² It is producing citywide data and maps showing children’s health and development across multiple domains and fostering collaboration to test local strategies for addressing variations in developmental outcomes. As discussed before, though the EDI can be administered in school as early as pre-K, its use can help direct resources to children in higher-needs neighborhoods at earlier ages. The EDI is also easy for teachers and other administrators to use. While it measures across five domains, it only takes 10–15 minutes to implement.¹⁰³ Philanthropy could support communities in pursuing such initiatives elsewhere in the country, with particular attention to screening children at a number of points from birth to five, not solely at preschool or kindergarten entry.

Improve the training, continuing education, professional development, and compensation of early childhood educators.

A resounding theme of our research was the critical importance of improving the effectiveness of early childhood educators, including child-care providers, FFN providers, pre-K teachers, Head Start, and Early Head Start providers. There are multiple efforts underway, including the recent \$500 million federal appropriation for Early Head Start-Child Care Partnerships.¹⁰⁴ These are promising steps towards promoting high quality. But these efforts remain at a fairly early stage, with more progress needed to identify scalable, effective solutions that can be implemented by each type of provider. A study from the National Academies, which supports these efforts, details the knowledge, skills, and abilities that educators need to support children’s health and development.¹⁰⁵ Two critical barriers facing the early childhood workforce today are limited professional development opportunities and low compensation, both of which are opportunities that philanthropy can address.

102 UCLA Center for Healthier Children, Families and Communities, “Systems Innovation and Improvement,” <http://www.healthychild.ucla.edu/ourwork/edi>.

103 Dr. Lisa Stanley, “A Community Level Index of Children’s Health, Developmental, and School Readiness,” UCLA.

104 Administration for Children and Families, “Early Head Start-Child Care Partnerships,” December 2014, <http://www.acf.hhs.gov/programs/eecd/early-learning/ehs-cc-partnerships>.

105 Institute of Medicine of the National Academies, “Transforming the Workforce for Children Birth through Age 8: A Unifying Foundation,” April 2015, <http://iom.nationalacademies.org/Reports/2015/Birth-To-Eight.aspx>.

Opportunity 6: Increase the availability of on-the-job coaching and development for early childhood educators.

Philanthropists have helped to create and support institutes for formal early childhood certification and training (e.g., the Buffett Early Childhood Institute at the University of Nebraska, the Erikson Institute in Chicago, and the Early Childhood Education Institute at the University of Oklahoma). These institutes have a clear role to play in promoting educator excellence and supporting research. However, research has demonstrated the importance of ongoing coaching and professional development that occurs in the classroom and that can meet teachers, caregivers, and program leaders where they are. We see a role for philanthropy in helping to reach educators with these solutions.

Philanthropists could support coaching and development efforts in two ways: at the individual provider level and at the program level. At the individual level, philanthropy can help scale coaching and development programs to reach more teachers. For example, MyTeachingPartner offers on-site training and remote video coaching based on CLASS (Classroom Learning and Assessment Scoring System), a tool designed to measure the quality of teacher-child interactions. The McCormick Foundation has provided longtime support for the Erikson Institute's Early Math Collaborative, which provides a year-long professional development program in early mathematics instruction. Students of pre-K teachers who received this program advanced their math skills by three months, compared with similar students whose teachers did not receive the program.¹⁰⁶

At the school level, philanthropy can support technical assistance providers that work with the directors of individual programs (including Head Start and Early Head Start) to help raise the effectiveness of the program's entire workforce. Two examples are the Ounce of Prevention Fund's Lead. Learn. Excel. program, which provides training, technical assistance, and peer learning resources to program directors to help them embed professional development opportunities for their teaching workforce, and Acelero Learning, a for-profit company that works specifically with Head Start providers. The \$500 million federal appropriation for Early Head Start-Child Care Partnerships¹⁰⁷ can be leveraged to fund this type of technical assistance. This funding seeks to raise the quality of non-Early Head Start providers by pairing them with Early Head Start programs for training and professional development. Recipients must meet Early Head Start standards in order to receive funding.¹⁰⁸ Philanthropy can augment the resources available by providing matching funds to local agencies who receive Early Head Start-Child Care Partnerships grants, as the Heising-Simons Foundation is doing in California.

106 Robert R. McCormick Foundation, "Early Math," <http://mccormickfoundation.org/page.aspx?pid=611>.

107 Administration for Children and Families, "Early Head Start-Child Care Partnerships," December 2014, <http://www.acf.hhs.gov/programs/ece/early-learning/ehs-cc-partnerships>.

108 Maria V. Mayoral, "Fact Sheet: Building Partnerships Between Early Head Start Grantees and Child Care Providers," Zero to Three National Center for Infants, Toddlers, and Families (March 2014).

Opportunity 7: Fund research and technical assistance to promote fair compensation of early childhood educators.

Every expert we spoke with agreed that a major barrier to attracting talented individuals to the early childhood field is low compensation (which leads to high turnover). Without addressing compensation, investments in professional development may have limited impact if qualified individuals are leaving the workforce. Though opportunities for philanthropy to help address this barrier may not be as obvious, philanthropy has a critical role to play in setting public policy priorities around compensation. It can help do this at the national and local levels.

At the national level, philanthropy can fund research to document the existing wages, education, and turnover in the early childhood care and education workforce. This research can be used to advocate for sustainable, dedicated sources of funding for early childhood programs. For example, the Foundation for Child Development is funding the Center for the Study of Child Care Employment (CSCCE) at UC-Berkeley to collect state-by-state data on early childhood compensation and policy initiatives to address wages. This project, the State of the Early Childhood Workforce Biennial Report, can help policy makers identify best practices in improving compensation.¹⁰⁹ Funders can also support organizations like the CSCCE to directly advise local, state, and federal advocates and policy makers on how to address compensation issues.

At the local level, philanthropy can fund technical assistance for state agencies to improve workers' wages. For example, the W. Clement & Jessie V. Stone Foundation, the Kresge Foundation, and many others support the T.E.A.C.H. Early Childhood National Center. T.E.A.C.H., which is implemented through local early childhood agencies, provides scholarships to early childhood educators so they can graduate debt-free from college and certificate courses. It also improves compensation through bonuses or raises for scholarship recipients who complete their education on time. These programs are being implemented in 24 states and have helped program participants achieve 8 percent wage increases, on average.¹¹⁰

109 Correspondence with Marcy Whitebook, March 2015.

110 Child Care Services Association, "T.E.A.C.H. Early Childhood National," http://www.childcare.org/ps/teach_ta_qac/teac-early-childhood-national/.

Support greater access to high-quality evidence-based programs that help parents and families to foster their children’s development.

There are a range of effective programs for parents, but they touch only a fraction of those who could benefit from them. Examples include:

- Home-visiting and center-based parent education programs: The 16 programs approved by the federal home visiting initiative (MIECHV) include Nurse-Family Partnership¹¹¹ and Early Head Start.
- Pregnancy-focused programs: Centering Pregnancy provides prenatal care to groups of 8-12 women in physician settings; HealthConnect One places community-based doulas with women from pregnancy through the early months of parenting.
- Mental health-related programs: Child First is a home visitation program that pairs a mental health clinician with a care coordinator to visit high-needs families; the New Haven MOMS Partnership coordinates multiple agencies in reaching and helping mothers experiencing poverty, high levels of maternal stress, and social isolation; the Fussy Baby Network at the Erikson Institute offers home visiting, support groups, and a hotline to parents under stress.
- Programs that work through the pediatric system: Reach Out and Read is a low-cost intervention that helps pediatricians provide information to parents about the importance of reading aloud and encourages parents to read to their children more often by providing a book at each regular checkup. Healthy Steps, mentioned above, is another example.
- Programs with particular focus on Hispanic families: AVANCE, Abriendo Puertas (Opening Doors), and HIPPI are family engagement programs that help Spanish-speaking children develop language skills and improve parental confidence.

Some of these programs, including Child First, New Haven MOMS Partnership, and Abriendo Puertas, also incorporate “two-generation” elements that work to provide benefits directly to parents as well as to children (e.g., adult literacy education, stress management, mental health treatment). In order to ensure that evidence-based programs have the resources they need to collectively reach all families who would benefit from their services, there are four ways in which philanthropists can help.

Opportunity 8: Build the capacity of organizations implementing evidence-based programs to serve more children and families.

Investments in core organizations can help these programs scale much faster. For example, RWJF has supported Child First with capacity-building grants.

111 List available at Health Resources and Services Administration Maternal and Child Health, “Home Visiting Models,” <http://mchb.hrsa.gov/programs/homevisiting/models.html>.

These grants have helped it develop a web-based data and measurement system, a quality-improvement and certification process, a funding-sustainability plan, and randomized controlled trials to build their evidence base.¹¹² The program has been expanded throughout Connecticut by the state's Department of Children and Families and plans to expand to two new states in 2015.¹¹³

Philanthropists can also aggregate pools of growth capital to help increase the scale of proven interventions. The Edna McConnell Clark Foundation (EMCF) has done just that with the Nurse-Family Partnership (NFP) home visiting program. Since 2002, EMCF has awarded \$23.3 million to NFP and helped aggregate an additional \$38 million in growth capital through its Growth Capital Aggregation Pilot.¹¹⁴ Five coinvestors¹¹⁵ and the NFP Board of Directors committed these growth capital funds to help NFP grow from reaching 13,484 mothers in 2007 to a goal of reaching 60,000 mothers by 2018. As of 2013, NFP had nearly doubled its reach to 26,350 mothers.¹¹⁶ EMCF's investment has shown that infusions of growth capital can help propel interventions with strong evidence bases and business cases for obtaining public funding.¹¹⁷

Opportunity 9: Invest in innovative public-private financing mechanisms for expanding evidence-based programs.

As a tool to encourage federal investments in evidence-based interventions, pay-for-success models such as social impact bonds (SIBs) are gaining traction. These models harness private and philanthropic capital to invest in social programs with long-term benefits. The government repays private investors as those benefits are realized. If no benefits are realized, private investors assume the risk of non-performance, which could result in the loss of principal. We believe that the real potential of pay-for-success in early childhood is not to substitute for public money, but to demonstrate what works to increase kindergarten readiness, and perhaps even change the way government invests in these programs.

Such innovative funding models will likely require a pool of philanthropic funds with the goal of establishing successful proof points to attract private capital and expand pressure for public investment in improving access to and quality of early childhood programs. As an example, private capital from the Goldman Sachs Social

112 Grants listed on Robert Wood Johnson Foundation website, <http://www.rwjf.org>.

113 Child First, "Replication," <http://www.childfirst.com/our-network/replication>.

114 Edna McConnell Clark Foundation, "Nurse-Family Partnership: Overview," 2012-15, <http://www.emcf.org/our-grantees/our-grantee-portfolio/nurse-family-partnership/overview/>.

115 Coinvestors are Bill and Melinda Gates Foundation, Robert Wood Johnson Foundation, W.K. Kellogg Foundation, The Kresge Foundation, The Picower Foundation. Source: EMCF, "An Experiment in Coordinated Investment," October 2008, http://www.emcf.org/fileadmin/media/PDFs/gcap_progressreportOct08.pdf.

116 Edna McConnell Clark Foundation, "Nurse-Family Partnership: Performance," <http://www.emcf.org/our-grantees/our-grantee-portfolio/nurse-family-partnership/performance/#families-enrolled>.

117 Edna McConnell Clark Foundation, "Nurse-Family Partnership: Overview," <http://www.emcf.org/our-grantees/our-grantee-portfolio/nurse-family-partnership/overview/>.

Impact Fund, Northern Trust Financial Services, and a program-related investment from the J.B. & M.K. Pritzker Family Foundation will finance an expansion of the evidence-based Child-Parent Center preschool program to 2,600 children over four years in Chicago. Although the programs would be run by Chicago Public Schools, three nonprofit groups will coordinate, fund, and evaluate the program. Payments to investors will come from savings for each student who avoids placement in special education as a result of attending the program.¹¹⁸

Pay-for-success models also hold promise for expanding parenting support programs that reach younger children. Nurse-Family Partnership's national office is exploring potential SIBs in several states in partnership with commercial investors, philanthropy, and third-party intermediaries. Payments to investors could be tied to public savings resulting from a number of outcomes that NFP has demonstrated through randomized controlled trials, such as reductions in preterm births, child maltreatment, and need for remedial language services.¹¹⁹

In addition to investing directly in pay-for-success contracts, philanthropy can fund technical assistance for the nonprofits and public agencies that are implementing these models. The Rockefeller Foundation helped to establish the Harvard Kennedy School's Social Impact Bond Technical Assistance Lab, which provides pro bono assistance to state and local governments pursuing such bonds.¹²⁰ Social Finance, Nonprofit Finance Fund, Third Sector Capital Partners, the Institute for Child Success in South Carolina, and the James Lee Sorenson Global Impact Investing Center at the David Eccles School of Business at the University of Utah provide similar technical assistance to governments and nonprofits, helping to conduct feasibility studies, structure complicated pay-for-success contracts, and advise implementing agencies. All of these organizations have been funded by philanthropy in the past. For example, the Laura and John Arnold Foundation has leveraged public funding from the federal Social Innovation Fund to support the Nonprofit Finance Fund in providing technical assistance to governments and nonprofits.¹²¹

Opportunity 10: Expand evidence-based programs for parents by advocating for increased state, local, and federal funding.

Continued and expanded funding for high-quality initiatives at the federal and state levels is essential if we are to prepare all at-risk children for kindergarten. Advocacy organizations play an important role in this effort. Two examples are the Alliance for Early Success and the First Five Years Fund, both of which

118 City of Chicago Mayor's Press Office, "Mayor Emanuel Announces Expansion of Pre-K to More than 2,600 Chicago Public School Children," October 7, 2014.

119 Nurse-Family Partnership, "Social Impact Bonds," 2014, <http://www.nursefamilypartnership.org/assets/PDF/Policy/NSO-SIBS-Overview.aspx>.

120 Harvard Kennedy School, "The SIB Lab," <http://siblab.hks.harvard.edu/sib-lab>.

121 Nonprofit Finance Fund, "Nonprofit Finance Fund Receives \$3.6 million from Social Innovation Fund to Accelerate 'Pay for Success' Projects," October 1, 2014.

are supported by coalitions of funders.¹²² There are also numerous state-based advocacy organizations that philanthropists can support in their own communities, such as Early Edge California and Pennsylvania Partnerships for Children, among many others. California's Strong Families, Strong Children Act (SB 1123) is an example of the type of policy that can result from such advocacy. The bill proposes \$350 million in funding to raise quality standards for child care, scale parenting resources, and develop new standards for Early Head Start.¹²³ This bill was supported by community advocacy organizations and philanthropy, including Next Generation and Californians Together.¹²⁴

At the municipal level, philanthropy also can play a role in advocating for communities to commit to making quality early childhood experiences a priority. The Bezos Family Foundation catalyzed the unanimous adoption at the 2014 US Conference of Mayors annual meeting of a resolution to support building an Early Learning Nation by 2025.¹²⁵ This resolution already has helped build on existing community-level momentum. Since the resolution, communities such as Kent County, MI, and Seattle, WA, are designing and implementing universal pre-K, training early learning providers, and building gateways for families to access early childhood services in their communities.¹²⁶ In addition, new cities and counties are stepping up to create action plans, which the Bezos Family Foundation will support through technical assistance grants in order to spur adoption of what works in communities across the nation.

Supporting flagship models for achieving quality outcomes is another way to apply pressure for increased funding for early care and education. The George Kaiser Family Foundation, the Buffett Early Childhood Fund, the Irving Harris Foundation, the Bill & Melinda Gates Foundation, the Kellogg Foundation, and the J.B. & M.K. Pritzker Family Foundation (among others) all support local efforts across the United States to replicate Educare schools, which provide high-quality care and education for children from six weeks to five years old, as well as wraparound services for parents. The schools achieve impressive outcomes: higher rates of school readiness, better vocabulary development, and better

122 Funders of both organizations include the Buffett Early Childhood Fund, the Bill and Melinda Gates Foundation, the Irving Harris Foundation, Heising-Simons Foundation, the George Kaiser Family Foundation, the W.K. Kellogg Foundation, the J.B. and M.K. Pritzker Family Foundation, and the David and Lucile Packard Foundation. The Richard W. Goldman Foundation and the Annie E. Casey Foundation also support the Alliance for Early Success. Source: Alliance for Early Success, "Funding Partners," <http://earlysuccess.org/partnerships/funding-partners> and First Five Years Fund, "Leaders and Partnerships," <http://ffyf.org/who-we-are/leaders-and-partnerships/>.

123 Alliance for Early Success, "Success Stories," retrieved January 23, 2015, from <http://earlysuccess.org/partnerships/success-stories>.

124 *SB 1123: Early Learning: The Strong Families, Strong Children Act*, Early Edge California, April 3, 2014.

125 Paul Nyhan, "Mayors Endorse New Movement to Create an Early Learning Nation by 2025," Thrive by Five Washington, June 26, 2014.

126 Early Learning Nation 2025, "Steps to Building an Early Learning Nation," <http://eln2025.org/steps-to-building-an-early-learning-nation>.

classroom quality scores than their peers.¹²⁷ However, Educare’s value is not only in scaling best practices—its schools also serve as a platform for demonstrating the value of early childhood investment, especially to public policy makers. For example, Educare of Tulsa helped inspire a \$25 million public-private pilot program for children from birth to three throughout Oklahoma, and Educare of Omaha helped spur a Nebraska State Constitution amendment creating a \$60 million endowment for birth-to-three services for low-income children.¹²⁸

At the national level, philanthropy can support research on the costs and benefits of high-quality early childhood programs. The Center for the Economics of Human Development (CEHD) at the University of Chicago, directed by Professor James Heckman, conducts such research. CEHD’s research on the long-term impact of programs like the Perry Preschool Project and the Carolina Abecedarian Project can be used to quantify the economic impacts of investing in many of the high-quality programs and approaches mentioned throughout this paper. CEHD has also helped determine the specific components of these programs that lead to high quality, which can help fuel investment in the right supports for children at the right time.

Opportunity 11: Simplify and disseminate information to assist parents in choosing high-quality care and education opportunities for their children.

All families benefit from good, easily accessible information on high-quality programs, yet our research showed that this information is more often than not hard to come by. Compiling this information and disseminating it widely to parents and caregivers is one way to increase the demand for higher-quality programs, which could in turn strengthen efforts to expand them. One such example is the Chicago Early Learning Portal, launched by Mayor Rahm Emanuel in 2012 and funded by the J.B. and M.K. Pritzker Family Foundation. The portal allows parents to search for and compare quality programs by zip code while also providing them with information about enrollment deadlines and requirements. It will eventually link programs to the ratings they receive from Illinois’s QRIS.¹²⁹

Providing parents with information on high-quality education and care providers is especially important for Hispanic families. High-quality pre-K has particularly positive effects on Hispanic children’s cognitive and language skills, but Hispanic children have the lowest preschool participation rates of any major ethnicity or race in the United States.¹³⁰ Experts suggest that there are four ways to improve participation by immigrant children, including Hispanics: outreach, enrollment

127 UNC Frank Porter Graham Child Development Institute, “Educare Implementation Study Findings,” August 2012, <http://www.educareschools.org/about/pdfs/Demonstrating-Results.pdf>.

128 Tulsa Educare, “Platform,” <http://www.tulsaeducare.org/platform/>.

129 City of Chicago Mayor’s Press Office, “Mayor Emanuel Unveils Online Early Learning Portal to Help Parents and Families Find Quality Programs for Children in Their Neighborhoods,” November 29, 2012.

130 Luis M. Laosa and Pat Ainsworth, “Is Public Pre-K Preparing Hispanic Children to Succeed in School?” New Brunswick, New Jersey: National Institute for Early Education Research (March 2007).

assistance, building relationships with parents, and building immigrant-friendly pre-K programs.¹³¹ Voter registration and health insurance enrollment campaigns might serve as models for an enrollment campaign targeting Hispanic parents. The National Council of La Raza and other Hispanic organizations have helped lead successful campaigns to register voters and enroll people in health plans. Philanthropy could support the application of these approaches to enrollment in pre-K and other high-quality programs.

Promote ongoing program innovation and improvement, especially for those programs supporting parents and informal caregivers.

Finally, there are barriers mentioned in this paper that do not align with immediate investment opportunities, but for which research and development might provide scalable solutions. Given that philanthropy is the primary engine of research and development in the social sector, there is a role for philanthropy in finding these new solutions, particularly in the challenging area of effectively supporting informal caregivers.

Opportunity 12: Promote quality improvement efforts for family, friend, and neighbor child care.

Philanthropists can fund the capacity of organizations that reach family, friend, and neighbor (FFN) caregivers, specifically for program experimentation and impact measurement, to better understand what features of their programs work in each context and how they can be scaled effectively. Funders like the David and Lucile Packard Foundation have acknowledged that, while informal care is not a system, very little is known about how children are cared for in these settings, and an experimental strategy is needed. Therefore, Packard's main objective is to research FFN communities and networks to better understand their demographics, the motivations of individual providers, and the resources and community institutions they may already be accessing. Packard expects this experimentation phase to last from 2-3 years, with a higher percentage of smaller grants. The ultimate goal of this research is to gain a better understanding of the needs of these communities and to test ways to provide them with resources and support that can be scaled over time.¹³²

Organizations like All Our Kin provide training and business consultation to all types of community child-care providers, including unlicensed caregivers, licensed family caregivers, and Early Head Start providers. Providers who graduate from these programs report higher earnings and a greater knowledge and understanding of child development.¹³³

131 Julia Gelatt, Gina Adams, and Sandra Huerta, *Supporting Immigrant Families' Access to Prekindergarten*, Washington, DC: The Urban Institute (March 2014).

132 Correspondence with Meera Mani of the David and Lucile Packard Foundation, March 2015.

133 All Our Kin, "Our Impact," <http://www.allourkin.org/our-impact>.

Another promising program called Tutu and Me has been developed in Hawaii, and a similar approach was developed and piloted by the YMCA in cities like Oklahoma City, Chicago, and Austin.¹³⁴ Tutu and Me is a traveling pre-K program that engages grandparents in meeting the developmental needs of young children in their care. Teaching teams conduct the program, which is organized around values specific to the culture and community.

Opportunity 13: Foster innovation to achieve repeatable results.

Overall, the early childhood sector lacks the processes that enable the kind of continuous research and development found in many parts of the for-profit sector. Such a research and development effort could advance the science of child development, develop promising early childhood interventions that have yet to be scaled, and fund well-established interventions that might benefit from continued innovation. Given our rapidly evolving understanding of brain development, we believe it is imperative that we fuel experiments to apply these learnings and develop more effective interventions and approaches.

One immediate opportunity is for philanthropists to fund research and development through existing early childhood-focused research institutes, such as the Center on the Developing Child at Harvard University and the Center for Child & Family Policy at Duke University. The Center for the Economics of Human Development produces research that helps identify components of quality that could be scaled across different types of programs. In addition to funding research institutes, we have identified three ways for philanthropy to lead innovation through investments to create new initiatives—while also recognizing that these opportunities are less “shovel-ready” than others we have surfaced. First, funders could create a consortium to set a common research agenda and carry out rapid cycle experimentation across a number of communities. Second, funders could create an “accelerator” that identifies and attracts high-potential ideas and supports their creators with mentoring, seed funding, and connections to a strong network. Finally, funders could support strong organizations with R&D “line items” to encourage them to set aside internal capacity for testing and evaluating new ideas and applications of existing models.

134 Campaign for Grade-Level Reading, “Bright Spots: YMCA of the USA, Chicago, Illinois,” July 2011, <http://www.gradelevelreading.net/wp-content/uploads/2011/07/Bright-Spot-Programs-YMCA-July-11.pdf>; YMCA of Austin, “Early Learning Readiness,” <http://www.austinyymca.org/sites/default/files/Adopt%20A%20Program%20-%20Early%20Learning%20Readiness%20FINAL.pdf>.