

80x3 Podcast Series - Part 2: Early Childhood Budgets, Boards, and Brain Development

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Tue, Feb 13, 2024 10:48AM • 31:10

SPEAKERS

Art R., Amanda, Jamie B., Narrator, Priscilla W.

Narrator 00:02

Welcome to Inclusion Matters, a podcast about children's development from the Center for Inclusive Child Care.

Priscilla W. 00:08

Welcome to Inclusion Matters a podcast from the Center for Inclusive Child Care. I'm Priscilla Weigel and I'm back again for part two of our podcast series with our 80X3 partner Greater Twin Cities United Way, Early Childhood Budgets, Boards and Brain Development. And I'm here with Jamie Bonczyk, Amanda Ziebell Mawanda and also Art Rolnick. And we left off in our last conversation with Art, really leading us into how to support early childhood educators and organizations providing early care to young children and families with the key points that they can use to articulate and highlight to funders about the importance of why we need to fund early childhood education as a long term economic support. So Art we will jump back in with you to help you kind of elaborate a little bit more on that topic.

Art R. 01:17

Sure, thank you. I'll talk from experience because I've worked with dozens of nonprofits and political organizations around the country, in fact, around the world, and I've kind of made the same argument over and over again. And as Amanda was saying, in our previous podcast, it's so important to define the mission. In my words, it's to define the problem, what problem you're trying to solve. In this case, generally speaking, I would say the problem in its nationwide is closing achievement gaps. Children born into poverty, generally start school way behind. And when they start way behind, they don't catch up. And there's clear implications for the child, for the family, for the parents, for the siblings, and for the community at large. When children don't succeed in school, there are huge costs to society. On the flip side, there are huge benefits when we invest. So when I talk to these investors, I say how big are the investments? Well, we have research to show we have research to show longitudinal studies going on 50, 60 years, that have, that Perry Preschool is the most famous. They compared kids who were in a high quality early

childhood education. This was back in the early 60's, when they started the program. And they had a control group that didn't get the program. And this program was parent focused. It was started or these were three and four year olds at the time. That's what they thought early was we think it should start earlier. But anyway, and what we showed over these years, 40 years later, 60 years later, these kids were just much more successful in life compared to kids that didn't get the high quality program. And when we put dollar values on this and backed out with most business people, most economist would ask what was the return on that investment? We were investing back back in today's dollars, it was a two year program, it was about \$13,000 a year. And we had all these benefits. So what were the benefits. That kids were less likely to need special ed, we're less likely to be retained in a grade, we're more likely to be literate by sixth grade graduate high school, get a job, pay taxes stay off welfare, and the crime rate went way down compared to the control group. We put dollar values on all that. And we backed out the implied rate of return. We figured if we can beat 6% annual rate of return, we could make a case and economic case, why do I take 6% ? That's the average annual rate of return in the stock market. So you're going to take money out of the economy. You want to make the case that you can beat the market that you can beat 6%. We found an 18% inflation adjusted return. Any business peer person who saw an 18% inflation adjusted return, which is pretty much risk free, they fund it overnight. So why should these these nonprofits think about how should you sell this? Why should you sell early childhood is so important. And by the way, the 18% clearly, a significant part of that is a benefit to the child and the family. But there's a huge benefit. Because when you reduce just on the criminal side of it, when you reduce the criminal aspect and these kids succeed in school, they're more likely to go to college and join a gang. Those are huge public benefits huge. That's how we get that 18 That's big part of that. 18%. So when you're a nonprofit or whether you're a government agency looking to improve your economy, improve health care for your community, it just improve quality of life. We argued, we don't, just 20 years ago we made the argument probably the best investment we can make. 20 years have past I made this argument at a White House Conference. It was nobody's challenge that there's a better investment. This is investment in human capital in our kids. And there our kids, if you will. That's how I sell this. That's how I made this case, to nonprofits generally. And I usually get a pretty good response. I'm saying, I'm not saying you're not doing other good things. But take a look at your mission statement. Take a look at what your goals are. This is something that's actually as measurable not everything is, but this one is, in my mind when I made this argument many years ago, actually the United Way. I said, take a look at your other investments. I don't think you could find anything better than this one. And I have not been I'm not saying I'm absolutely right. But clearly it is one of the best investments we can make. 20 years have gone by and nobody has said this is wrong. In fact, most people now agree this is, now we got to find the funding. That's a different issue. Funding, we know what to do we know what works. Yeah,

Priscilla W. 06:00

That's great. Amanda, you're I can tell you're you're wanting to jump in here.

Amanda 06:04

I'm just thinking about Art's comment about finding the funding. And I'm thinking about how that plays out, organizationally, like within within a nonprofit early childhood setting. And I think it results in like the the system that we have right now results in very confusing business models. And this is something that we, that came to the forefront when Jamie and I were working with 80x3 programs, is that it takes so many moving parts to work together to have a viable business model as a nonprofit child care provider. It takes combining federal, state, local funds, donations, leveraging parent resources, understanding what each of your families can pay, an understanding, I was talking with Priscilla another time about this, understanding that in that setting one family's financial situation, one shift in one family's financial situation, can throw off your business model, the way things are right now. Just the level of complexity of revenue streams and how they're so dynamic based on individual family's financial situations, means it's very hard to have a clearer picture and understanding of what resources are available or will be available, the way that we're funding it currently. Just because you have to cobble pieces from here, they're everywhere, and hope that it all fits together in a way that delivers for the kids and families we're talking about. So I think understanding that business model, as it currently is, is something that organizations need to do better. Boards definitely need to do better as they're making strategic decisions about programming. They need to understand all those moveable parts and how they fit together. But I think is artisan like it's a bigger problem. And one program might be able to get it right, and do all the right things and plan for all these scenarios. But it's a problem facing all of our all of our programs. And that's because we're drawing on so many different sources just to get by. When what we should have is substantial investment in something that we know that works, which would be much easier to understand and manage from a board perspective and a staff perspective and a leadership perspective, but also would free up the time of folks in our organizations to be doing the things we're asking them to do. Yes. And also provide consistency, because all those things you're describing Amanda, change in a grant cycle. And so that understanding can be you can master it for this period of time. And then those funds are, that period is up and oh, well, they're not refunding this type of work anymore, or, oh, we're not eligible for that grant anymore. You know, I haven't seen any other business model where an individual's financial situation can throw off a whole program model, where legislative decision could throw off a whole program model where economic shifts could throw off your whole program model. I mean, there are so many variables that have to be in alignment for these business models to work the way they are, and people are doing it. God bless them, they are doing it and they are making it work for our kids. But there's got to be a better way. And I think the better way is to fully fund this and to recognize the return on investment and the importance of putting our money behind the things that we should be caring about our kids.

Priscilla W. 09:58

Right. Back to your statement and our part one about, you know, the mission? Or was that Jamie? The mission is the value statement. That was you, Jamie. And so Jamie, you know, with the work that United Way has done, has been doing, especially with the 80x3 project. You know, there's there are a lot of roadblocks and barriers to that dream that Amanda is putting forward here in this conversation and Artis describing what what are you hearing? And what have you heard and, and kind of what are some of those things that come to that bubble up?

Jamie B. 10:34

Yeah, so thank you for the question. And I think the thing that we're hearing about is the same thing I've been hearing about for over 20 years in the field, which is that early childhood educator wages have been subsidized seeing our larger investment as early childhood as a public good. So I know that quality, you know, staff are the majority of a nonprofit child development budget, typically. And that if you were a nonprofit, largely, if you're making any profit, you might be making a 1% return so that you might be able to invest it so that you have some future buffering, because there's gonna be things that happen. But when I think about that as a lived, just an example, when I graduated, I had, you mentioned I have a degree in early childhood when I got my four year degree and I had a teaching license. And I chose to work in community driven work, because I've lived experiences of what happens when children don't get invested in I've lovely parents, we have a perfectly fine relationship now. But when I was born, they were very, very young. And they did not have the resources. And I had some medical complications that required, like, so like, so many people didn't know how to support me. So I use my personal life, to make a professional decision. And I was rewarded with \$10.25 an hour to use my lived and professional experience to change the future of children living in Minnesota. And what happened then is that I could no longer essentially afford to be a teacher. And so we have so many people who have lived experiences and have figured out like that they're very good at working with children who cannot afford to do their jobs. And the budgets that we have. And Art you mentioned the investment. I know that the state of Minnesota is paying attention to this in ways that other states are not. When the, during the pandemic there were national investments in in helping the child care crisis, kind of like we put a bandaid on it. And those fiscal risk investments federally they they stopped but Minnesota stepped in to say, hey, we don't want this childcare crisis in our state to get worse. What I know is like a real strategy that we need to figure out is how do we keep the educators that we currently have in classrooms by paying them not just livable, but thrivable wages. Like, as an example, at \$10.25 an hour, I could not afford to pay my health insurance, and my student loan payment. And I had a pre existing medical condition. So if I give you like the lived reality of what does it take, and we cannot be asking our childcare educators to live in poverty themselves, and then help other people out of poverty, right? So we have to have not only a two generation approach of like, ensuring that children get their needs met, and families get their needs met, but that we are prioritizing that working in early childhood education and care is an important career that we need this so that children can have healthy stable development, and that our economies thrive over time. That we can't be doing a either or approach to our investment, we really

have to look at a whole community approach to if we want people who have creativity and like are problem solvers and critical thinkers, that that happens in their first earliest years of life that preps them for that. And quite honestly, being curious and taking advantage of other things in life. There's a bit of a privilege that comes with that. And when I think about are some of the achievement, or the opportunity gaps that you've named that exist, is that in order for people to invest in themselves, somebody has to invest in them along the way. Right. And so I think that that's the first thing we got to get a handle on is that this is a community value system that we have to invest in early childhood educators so they can invest in the future Minnesota. Yes.

Priscilla W. 14:59

RT? Yes,

Art R. 15:01

I just want to pick up on some of Jamie's comments that were terrific. But in particular, she makes the point that early childhood education is a public good. Yes. And it's critical because a lot of my critics when I first started saying, Oh, this is the mother's job, and they aren't my children, and I said no, in a way they are because if they don't succeed, you're gonna pay for this. And you're gonna pay dearly for this. So they are it is a public good. I think that's very important to get across. Another point I want to get across and I don't want to put a lot of weight on Jamie and Amanda shoulders. But nonprofits are critical to moving this to scale. Nonprofits by themselves can't do it. But what they can show the way and years ago United Way got into this space. And if it wasn't for United Way getting into this space, we wouldn't be here in Minnesota with this kind of funding. United Way has played a critical role in moving this forward going way back to Warren Stately when he was chair of United Way board many years ago. And in order to bring this to scale, you have to show it works. And the problem with teachers pay the way I would argue to deal with that problem, we have a scholarship program. Scholarships now the new legislation, says scholarships have to pay the market price. And our scholarships we're arguing have to be used at high quality programs. Well, if you want a high quality program, you got to pay for it. So my my my economic way is to demand to drive this by making sure the scholarships pay market what could be \$15,00, \$20,000 a year so that these providers can hire and pay the key well paid teachers. These teachers could should get paid at least what K through three teachers are getting paid. In fact, the research says they may be more important. And so again, back to the public good back to making sure you get what you pay for. It's got to be quality. And if you want to quality, you better pay these teachers well, We're not there yet. We're clearly not there yet. But it's the nonprofit's start funding this and showing results. That's how we can bring it to scale. And I would argue we're not done with our job until we bring it to scale. And the only way we do that is to get the people in St. Paul understanding why this is so critical for these kids, for their families and for our economy. By the way, where should the funding come for the nonprofit's it's one issue. I'm not going to get into that space. It's not my expertise. But in the policy space, I've argued, this is about economic

development. We have a huge budget in the state of Minnesota for economic development. You don't want to get me started. But we spend a lot of that on sports stadiums. Are you kidding me? The return on that I'm telling you is zero. These sports stadiums will get built, the market will take care of that. The market will not take care of these kids. Ya, only public policy will. Back to why this is a public good. And we need to convince our policymakers that it is a public good, and that you have the resources to do this. This is a very wealthy state, where there's no way we shouldn't fully fund this for every child. And when I mean fully funded, it includes home visiting and the scholarships. It's what we call the Minnesota model for early ed which by the way, it has gotten national attention. And we are leading, but we're still we're still way behind in terms of the number of kids that are don't have these advantages. So I want to stress it is a public good and the nonprofit's have it have a clear role in playing this in in playing this role in encouraging more investment until we eventually get to the final goal. And we can measure it. And we can tell you ultimately week by the way we can tell you what quality is its progress. Not one size fits all. What works, music programs at MacPhail or Montessori or Headstart. It depends on the child, it depends on the parents. Engage and empower these parents. Let them make the decision. That's what scholarships do. We can get there. We know we can get there. And now it's just a matter of continuing and being in it for the long run. Because it's not a short run fix. It's going to take a while.

Priscilla W. 19:08

Right. And Amanda you spend your life with nonprofits

Amanda 19:12

I do I spend I spend my day time life with nonprofits and I spend the rest of my time with a two year old and a five year old. So Art's comments about the speed and public good is very real to me and of economic value because without access to high quality, early childhood education, I would not be sitting here today with you all. So it's a very, you know, it's very real and present thing in my life right now. I was also thinking about because I do spend most of my time working with nonprofits. I was thinking about what creates a healthy dynamic within those organizations that can then spread and is that investment in staff and in supports for staff in the operations. Because what I have seen is I so I do a little bit of mediation work and I do conflict transformation work, in addition to the nonprofit piece, and a lot of times, I'll be called into a situation where there is conflict going on in the organization, or there's been just like rapid levels of change because of staff turnover, and they're trying to figure out, like, what's happening in the climate of the organization that's causing this. And more often than not, is I find that there are elements of this retraumatization of employees. And so that's fostering an environment where they cannot show up as their best self for our kids, which is what we need them to do. Right? We need them to bring every ounce of their energy and expertise to the table. But if they're exhausted, if they're not invested in they, they cannot do that in an environment that doesn't support that. That's the first thing I was gonna say. The other thing that I was thinking about while I was

talking is the number of organizations I work with in greater Minnesota who are I mean, whether it's the initiative foundation's, whether it's local government, everybody is trying to figure out how do we solve this problem. And a lot of folks do see nonprofit centers as being kind of crucial to get into scale as particularly in small communities. The issue with that is a small community, who likely cannot afford to self fund a childcare center. And those parents, we know that there are high rates of poverty in rural areas. So we know that those parents can't also fully fund their own child care center. So what a nonprofit model does is allow a community to come together and say, this is a community need that we have for our children to be taken care of so our adults can be in the workforce, so that our kids can be healthy. All of those things. What the nonprofit model allows is then, for there to be an earned revenue stream where people are paying for care, or we're getting grants in for care. But also, we can supplement that with contributed income. We can go to the philanthropic sector and say this is something good to invest in. I think the further you get out from kind of major power centers and urban centers, this is probably across the country, but I'm most familiar with Minnesota, the harder it is to access those things, though. So I think part of it is understanding communities will lean in, they want to solve their problem, they want to, when the for profit childcare center in their town closes, I've seen multiple communities invest in starting a nonprofit center. But, but, they still need investment from the outside because the communities are small and under resourced to begin with. So when I think about the nonprofit role in this, I think, one, there's a place for it because it's mission driven work. And what we're talking about is an important mission to be part of. Two it allows for a business model that can combine those revenue streams, and then seek additional philanthropic support to supplement what families and communities can contribute locally. So when I think about scaling, I think you're spot on are the nonprofit centers have can have a really big role in it.

Jamie B. 23:42

Yes, right. Amanda, earlier you had said something about, you know, great nonprofits that are doing like amazing work, sometimes in isolation, or maybe like, one person is doing something that's really great. And as I think about investing, and I know we're talking largely about like investing fiscal resources, but I think also what is afforded to organizations that maybe have like, like a school system, or maybe like a headstart organization where there's like networks, to help professional development over time, I think about something we haven't talked about, but it's, I think, incredibly important to the longevity and retention of educators is social capital. Because I think about like, how do we invest in people over time. And in the same thing, I think, I know, Priscilla, you talk a lot about parallel processing at the Center for Inclusive Childcare. But I think about as we know that relationships develop young children, they also develop adults. And I think that's something that I've learned from working with in the 80 X 3 Initiative and getting to bring together really a wonderful nonprofit organizations that are mission driven that are committed to community that have been committed committed to doing trauma sensitive work long before it was required in the knowledge competency framework, but really thinking about learning from what they bring together

when we are able to meet monthly. And how that is also not something that we as a community are really, we're not funding that. Right. So and this time, right now, Greater Twin Cities United Way has stepped in and said, like, I listen to community, what is community want? What do they need? Here's a place where they're saying like, this work is hard. It's isolating, like, we need people to bounce ideas off that have similar mission, vision values that care deeply about community, how do we do it? And you're right, Amanda, when I heard you say, communities have solutions to their own problems, you know, that's, that's really essential that we are asking people, what do you need and then providing supports. But it's been really interesting to learn about when we bring people together, that there's been initiatives often on to bring early educators together, but there's just not a currently funded space to really allow people to to do great work together. Because if this is going to be a community solution approach, no other community solution, do you just say like, figure it out by yourself? So I think that this is really interesting in the way that we're talking about how do we resource people, individuals, communities? How do we resource you know, kind of a human centered relationship focused design, because the work is going to be hard. I told you I was a teacher for 10 years, I was in a classroom for 10 years. That's a lot of friends I got to meet. Intergenerational friendships, young people, grandparents, I got to meet everybody and have to know everything, I got to know a lot of things I didn't want to know. And when I got to know those didn't want to know things, sometimes it was like, who am I going to talk to about this? That it's really important that we think about how do we de isolate these, like, excellent organizations. You know, earlier, I heard you talk about Where To Grow. I know they have a lot of partnerships that are really exciting, and that they don't do all everything all by themselves. They are part of groups of organizations, asking for additional investments, because I don't think one nonprofit can do it all. I think that we need to look at how are we bringing people together? How are we building coalitions within communities, so that we know like this organization can has the capacity to serve 600 children and families. This other organization, how are we referring like if we don't have the space, or this is not the right need to be met. Like how are we doing referrals? All sorts of things. And so I think, you know, that's an additional investment I just wanted to bring up is that, yes, we need to invest financially. But I think also we resource other aspects of the early childhood education and care community differently than we're resourcing early childhood educators that are working in and administrators that are working in nonprofit organizations.

Priscilla W. 27:58

Definitely and as we kind of wrap up this, this session, and look to our next session, we're going to talk more about the Board and their role. And their the way that educators, communities, and nonprofits can all work together to really make sure that it's that well functioning piece that all of you have alluded to. And Jamie I think as we as we leave this episode, you know, at Center for Inclusive Childcare, we our motto is we carry and hope. And so this conversation can oftentimes feel overwhelming. And where do we begin, and I think everyone on this call has stressed the fact that we're on the way and we're getting we can get there. But when you just brought up about that

connection, and that opportunity to talk with each other, and to build community just in that social connection, emotional reflection with each other. That can be that one hopeful step that people can start tomorrow to, you know, as a team, even in that individual classroom. I you know, I've been doing this work for 40 years, I was in the classroom for 20 of them. That opportunity to talk with my colleagues at the end of the day or our organization did a beautiful thing. They were provided reflective consultation. Once a month, we all sat in a room, and we shared those heavy things that we needed to talk through together. Without that it would be really hard to wake up every day and come back to that job. Because there's heavy stuff, you're holding families in the most precious time of their family life. Building that, you know, baby's brain from those early early years. Parents who are overwhelmed and don't know what to do tomorrow to get through the day. That's a lot for those educators to just come in and scoop those kids up and provide them with the care and the nurturing and the connection that they need to be successful. So I feel that as we wrap up this episode, you know, really looking at what's that one thing that our listeners can do tomorrow that's going to create that step forward for them. And I look forward to part three as we really focus on Boards. And how do we keep them engaged, help them understand all these key things that we're talking about today, and help them advocate because they're the ones that are going out and speaking to that larger system. And they're so essential to the work that all of us are doing. So thank you all for being here. I look forward to part three and we will talk soon.

Narrator 30:55

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